The Impact of Airline Industry Restructuring in Canada Upon Tourism in the Provinces and Territories

5 July 2000

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A. Background

Historical Development of the Industry

Prior to airline deregulation, Canada's airline industry consisted of

- two trunk carriers (Air Canada and CP Air – the latter being one-third the size of AC),
- five regional carriers (PWA, Transair, Nordair, Quebecair and EPA),
- a major charter carrier (Wardair), and
- a large number of local carriers.

The transition to deregulation began in 1984 under Minister of Transport Lloyd Axworthy, and the process was completed in 1987 with passage of the *National Transportation Act, 1987*. By 1989, CP Air, all the regionals and Wardair had amalgamated into Canadian Airlines International (CAI), although at the cost of a heavy debt structure, and with a provincial constraint (Alberta) that prevented any individual or group from owning more than 10% of its shares. Air Canada was privatised in two stages, although with similar (but federal) constraints on ownership.

In 1991 and again in 1994, CAI faced severe financial pressures. This resulted in a major investment (25% of voting shares and roughly 35% of total equity) in CAI by American Airlines, and by its employees (roughly 25%) in exchange for wage rollbacks. In 1996, WestJet (WJ) entered CAI's stronghold in the West (the Calgary-Edmonton-Vancouver triangle). Just prior to the WJ service, Air Canada launched its Rapidair service in the western triangle, resulting in additional frequency and seat capacity. Rapidair had been successfully used for years in the Eastern triangle (Montreal-Toronto-Ottawa). This three way competitive environment in the West resulted in a great deal of extra capacity, an erosion of Canadian's profits, and is one of the reasons why Calgary has been so adversely affected in the initial stages of industry restructuring.

In 1999, CAI's management concluded that it would be unable to survive without a major financial injection and began searching for an investor. American Airlines and other foreigners were ineligible due to Federal limits on foreign ownership. (The Canada Transportation Act confines foreign investors to a non-controlling interest in no more than 25% of the equity of a Canadian air carrier.) Merger discussions were held with AC, but these were not successful. Onex Corp. then made a bid for the shares of both CAI and AC, a move which was facilitated when the Federal Minister of Transport (MoT) exercised Section 47 of the Canada Transport Act (CTA) allowing air carriers to enter into discussions without fear of prosecution for violating the Competition Act. Ultimately a bidding war took place, with Onex leaving the field and AC being successful in a counter bid for Canadian.

Status of the Merger

Canadian is currently owned by a numbered company of which AC owns 10% but has an option to purchase the remaining 90%. (Roughly 15% of CAI's shares were still outstanding and not offered to AC when CAI's shares stopped trading on 27 June 2000.) This arrangement is in place while CAI is financially restructured and while it negotiates new collective labour agreements. CAI has

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been put into bankruptcy protection but this has been with no interruption to its operations. AC has invested heavily in CAI to keep it operating, although it should be noted that financial analysts say that it stands to gain from approximately $1.5 billion in tax loss carry forwards. Court approval of the financial restructuring was given on 27 June 2000, although an investor group has indicated it is considering an appeal of the decision.

Regulatory Approvals

Until passage of Bill C-26 on 29 June 2000, the Competition Bureau had the authority to review the merger. However it announced on 21 December 1999 that it would not oppose the merger. It did obtain an undertaking from AC which improves the conditions for competition from new and existing carriers. Under the legislation in force at that time, there was no other approval required – neither the Canadian Transportation Agency nor the Minister was required to approve the merger. Bill C-26 made the government's approval of the merger explicit. The U.S. Dept. of Transport has decided not to review the merger, as CAI's share of the Canada-US market was too low to trigger any concerns with increased market power. The U.K. Competition Commission is currently looking at the merger, with a report due in August 2000.

Undertaking between Competition Bureau and Air Canada

A number of undertakings were agreed upon so as to improve conditions for competition in *domestic* markets. These include: a) divesting slots for two flights per hour at Toronto, b) reducing AC's ability to veto airport investment decisions, c) offering Canadian Regional (CRAL) for sale, d) providing small carriers with access to Aeroplan points, e) providing some access to interlining and joint add on fares to small *domestic* air carriers, f) changing travel agent commission structures to reduce the domestic market share advantages of AC, and g) to postpone operation of a discount carrier in Eastern Canada to give a head start to new air carriers. None of these provisions are targeted at improving international competition.

Foreign carrier access. Noticeably absent are any provisions to give foreign carriers price competitive access to Canadian communities beyond the major gateways. Only five cities have any year round scheduled service by overseas air carriers: Toronto, Vancouver, Montreal, Calgary and Halifax.

CRAL. Perhaps the most controversial of these is the requirement that CRAL be offered for sale. The undertaking between AC and the Bureau requires that a fair market value (FMV) be established for CRAL and that it then be offered for sale for a period of 60 days. If any bid is received at or above FMV, then CRAL must be sold. If no bids at or above fair market value are received, CRAL will stay with AC. (It has been reported that CRAL employees would prefer to stay with the now dominant air carrier, but that is not a factor in the process underway.) The valuation process is nearing completion with an arbitrator currently making the final assessment of FMV. An investment banking firm has been retained to undertake the sale process which began on 30 June 2000.

CRAL's fleet of 56 aircraft, many of which are regional jets, could offer a) significant competition in a number of domestic markets, and b) foreign carrier price competitive access beyond the gateways. It would likely not replicate the Air Canada network in terms of scope and frequency, but might be able to provide a competitive choice for a number of Canadian communities. While there would be challenges faced by an independent CRAL, if successful, it would be likely to form

code sharing alliances with important US and foreign airlines, restoring price competitive access to a number of Canadian tourism destinations.

B. Policy Issues

New Legislation

The merger created a policy void. The CTA was based on the premise that there would be airline competition and thus had no mechanisms for controlling a near monopoly air carrier. To rectify this, the MoT introduced Bill C-26 (given Royal Assent on 29 June 2000). The bill a) endorses the merger, b) removes airline merger review from the Competition Bureau and vests it with the Governor in Council, c) provides the Competition Bureau with some cease and desist powers to control some aspects of predatory behaviour, d) allows travel agents to bargain collectively with AC, and e) grants the Minister some powers to review and control price gouging, and f) creates a Commissioner of the Canadian Transportation Agency to act as ombudsperson, but with no significant enforcement powers. (I.e., the ombudsperson will not be able to impose orders on AC.

Court and Other Actions

Even prior to passage of Bill C-26, there have been several actions started which seek to curb alleged monopolistic behaviours by AC.

- WestJet has filed a complaint with the Competition Bureau alleging predatory behaviour including pricing decreases and capacity increases by AC after WJ entered the Hamilton-Moncton market. WJ claims that AC added seat capacity in the market and not only met but undercut WJ's prices. AC claims that it is simply acting in a normal competitive manner.
- Air France has filed a complaint that AC's international *override* travel agent commission program is linked to domestic sales in such a way that it could result in substantial incentives to agents to sell only the AC international travel product to Canadian residents.
- British Airways (BA) has raised this and a number of other issues at the parliamentary transportation committee hearings. Significant is its complaint that its ability to sell competitively priced tickets beyond the gateways has been cut off by the removal of a previous "pro-rate" agreement for add on fares. For example, BA claims that previously it could add on an Ottawa segment to a London-Toronto flight for $389, but now must pay AC $1,189. BA has suggested that it may not be able to continue its current level of operations to Canada.
- BA has also asked the British Competition Commission to review the merger, with potential remedies presumably including curtailment of AC's operations to the UK.

C. Industry Structure

Market Share of Dominant Carrier

The Air Canada family consists of Air Canada, Canadian, the owned regional carriers (Air Ontario, airBC, Air Nova, Air Alliance, Canadian Regional), and various third level feeder carriers, such as Central Mountain Air, Calm Air, etc. Some of the regionals operate exclusively for AC while others operate for AC on specific routes, but operate other routes independently or in competition.

As the merger unfolded, the Competition Bureau (Canada) reported that AC sold roughly 80% of domestic airline tickets, and received 90% of industry revenues. As well, the Bureau indicated that of the top 200 routes in Canada, over half had no carrier other than an AC or CAI family member. Recent information reported in *JP Fleets 2000*, and consolidated for AC and its major domestic

code share feeder partners, indicates that the AC family currently has a fleet of 436 aircraft (283 jets). Whether one considers AC as a monopolist is a matter of perspective. However, one can use the term "dominant".

AC is the largest air carrier in the important transborder (Canada-US) market.

Competition in Domestic Markets

Competition in domestic markets is provided by:

- WestJet (16 jet aircraft), a Western based carrier providing short haul service in major markets;
- Charter carriers providing a combination of charter and scheduled service in transcontinental markets [Canada 3000 (15 jet aircraft), Air Transat (23 jets), Royal (11 jets) and Skyservice (5 jets). Royal and Air Transat provide limited service on the Montreal-Toronto route];
- Various independent local carriers such as Pacific Coastal, and Air Saskatchewan.

Aircraft fleets:

- Air Canada Family: 436 total (283 jets)
- WJ and charters: 75 total (70 jets)

Seat Capacity:

- AC family: 76%
- WJ and charters 24%

Collectively, the major charter carriers and WestJet have 70 jet aircraft (75 total aircraft), compared with 283 jets for AC (including turboprops, AC has 436 aircraft). These independent carriers account for 30% of the *fleet seating* capacity, but because their aircraft operate fewer flights, they account for only 24% of seat capacity available for sale. (Idled DC-10s and 747-200s of Canadian and Air Canada were excluded from the analysis, as were other carriers' freighters.)

Potential competition in domestic markets from US or other foreign carriers is not allowed. Such traffic rights are known as "cabotage" services (e.g., a US carrier flying passengers between two Canadian cities is a cabotage service) and are not normally allowed by any country. The Minister opposes cabotage, even on a reciprocal basis, although he has indicated he will consider it in the future if domestic competition fails to emerge. AC has indicated it is willing to accept reciprocal cabotage.

Competition in Foreign Markets

The Federal Government's policy assumed that foreign air carriers would provide sufficient competition to Air Canada in transborder and overseas markets. Two issues are that this policy ignores the issue of price competitive foreign carrier access to communities beyond the gateway cities, and it ignores the fact that Canada's bilateral air services agreements are generally very restrictive. As one of many examples, Lan Chile is allowed access to Montreal and no other community in Canada. The Minister has indicated that he will freeze Canada's international air policy for two years, although a review of the policy may begin in 2001.

Of major importance is how industry consolidation affects competition from the global alliances. CAI was a member of the **one**world alliance (American, BA, Cathay Pacific, Qantas, etc.) which provided competition to the Star Alliance, of which Air Canada is a member (United, Lufthansa, etc.) While the gateway cities continue to have competition from **one**world and other global alliances (Wings: KLM-Northwest, SkyTeam: Air France-Delta), many non-gateway communities have lost price competitive access to **one**world. Northwest continues to provide service to a

number of second tier markets, such as Regina, Thunder Bay, and London ON. In testimony to the Standing Committee on Transport, British Airways has indicated that beyond-the-Canadian-gateway traffic had accounted for roughly 18% of their traffic, and loss of this will undermine the financial viability of their current level and scope of services.

Alliance competition could be further reduced as Air Canada has signed its own alliance agreement with Delta, and Star partner United is proposing to merge with US Airways. Air Canada claims that the US Airways and Delta networks complement rather than compete with its own routes. However, in some important city pair markets, such as Toronto-Atlanta, competitors will now be alliance partners. As well, there may be a loss of indirect competition from the connecting services provided by carriers.

D. Initial Impacts on Capacity

Analysis of Schedule Data

There is much anecdotal evidence of the impact the merger is having on airline capacity in Canada. InterVISTAS Consulting has undertaken analysis of Official Airline Guide (OAG) schedule data for August 2000 vs. August 1999 to quantify the impact. The June 1, 2000 (most recent) schedule data was used for the analysis. It included the major changes announced by Air Canada in late May, but there may have been (and will continue to be) some subsequent fine tuning of the schedule.

Air capacity data for August was captured from the 1 June 2000 OAG. This data may vary from other analyses due to:

- **Selection of different time periods (August versus full year impacts)**
- **Use of alternate data sources**
- **Subsequent changes to airline flight schedules**

There are some caveats to this analysis. First, August is the peak travel period of the year and impacts in other months or over the full year could be significantly different. Second, there are some problems comparing data for the charter air carriers from 1999 to 2000. Some of Canada's charter carriers listed some flights in the OAG in 2000, as these are now operated as scheduled service; whereas in 1999 some similar flights were offered as charter services and thus did not appear in the 1999 OAG schedules. (There is a regulatory distinction between schedule and charter flights, even if offerings are identical.) Thus the growth in capacity by these carriers is overstated, especially for the European market. In the tables, the available data is reported, but the *growth* in European services by charter carriers is not reported. Overall, totals are reported but are somewhat overstated.

Table 1 summarises the overall impact in the Canadian market on number of flights and capacity (measure in seats available for sale). The following observations can be made:

- The AC family has reduced the number of domestic flights by 24%, nation-wide. This has been made up in part by 17% growth in the other domestic carriers (although this is somewhat overstated due to the omissions of some 1999 charter carriers services), resulting in an overall 12% reduction in domestic flights.

Table 1: CANADA TOTAL AIR SERVICE CAPACITY: August 1999 versus August 2000 (includes all non-stop in/outbound domestic, transborder and int'l frequencies and seats)

		Canada Total					
		Flight Frequency			Seat Capacity		
		Aug-99	Aug-00	%	Aug-99	Aug-00	%
Domestic	AC Family	58,163	44,074	-24.2%	3,463,991	2,983,246	-13.9%
	Other Domestic	24,565	28,752	17.0%	838,695	1,175,675	40.2%
	TOTAL	*82,728*	*72,826*	*-12.0%*	*4,302,686*	*4,158,921*	*-3.3%*
Transborder	AC Family	14,588	17,682	21.2%	1,157,426	1,323,924	14.4%
	Other Domestic	638	762	19.4%	63,252	88,160	39.4%
	US Carriers	18,826	20,788	10.4%	1,550,752	1,680,920	8.4%
	Int'l Carriers	262	328	25.2%	91,970	111,020	20.7%
	TOTAL	*34,314*	*39,560*	*15.3%*	*2,863,400*	*3,204,024*	*11.9%*
Other International	AC Family	2,554	2,810	10.0%	549,498	608,102	10.7%
	Other Domestic[2]	154	586	N/A	137,460	258,200	N/A
	Int'l Carriers	1,836	1,928	5.0%	594,340	583,218	-1.9%
	TOTAL	*4,544*	*5,324*	*17.2%*	*1,281,298*	*1,449,520*	*13.1%*
Asia-Pacific	AC Family	568	708	24.6%	159,988	204,024	27.5%
	Int'l Carriers	432	376	-13.0%	159,606	145,672	-8.7%
	TOTAL	*1,000*	*1,084*	*8.4%*	*319,594*	*349,696*	*9.4%*
Europe	AC Family	1,460	1,514	3.7%	319,698	329,900	3.1%
	Other Domestic[2]	154	586	N/A	137,460	258,200	N/A
	Int'l Carriers	1,170	1,192	1.9%	383,368	370,942	-3.2%
	TOTAL	*2,784*	*3,292*	*18.2%*	*840,796*	*959,042*	*14.1%*
Misc. International	AC Family	526	588	11.8%	69,542	74,178	6.7%
	Int'l Carriers	234	360	53.8%	51,366	66,604	29.7%
	TOTAL	*760*	*948*	*24.7%*	*120,908*	*140,782*	*16.4%*
TOTAL[3]		121,586	117,710	-3.2%	8,447,684	8,812,465	4.3%

Source: Official Airline Guide OAG-MAX August 1999 and June 2000 data disks.

[1] "Other Domestic" denotes other Canadian airlines

[2] N/A - "Other Domestic" carriers cannot be calculated due to incomplete 1999 and 2000 data available for Royal Airlines, Air Transat and foreign charter carriers. (Canada 3000 international data obtained from flight schedules).

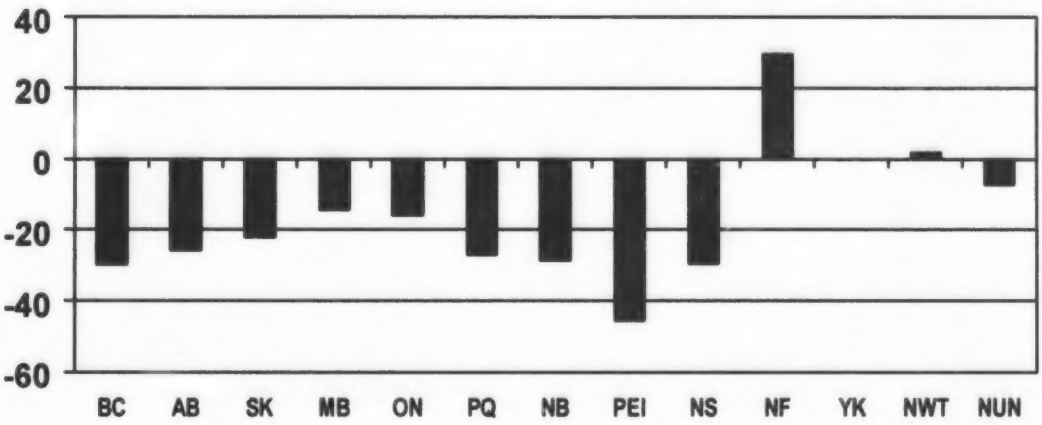
[3] Caution: Frequency and capacity data totals do not include <u>all</u> charter operations by Royal Airlines, Air Transat and foreign charter carriers.

[4] See notes to Air Capacity Tables in Appendix C for additional discussion on methodology, limitations and interpretation of data.

- AC and all other carriers have greatly expanded transborder air services, for an overall increase of 15% in flights, and 12% in seats.
- Because the remaining AC flights use larger aircraft in 2000 than in 1999, the impact on seating capacity is less. It should also be noted that the AC family seat capacity decline of 14%, was offset by a 40% increase in seats by other carriers (although this is somewhat overstated due to the omissions of some 1999 charter carriers services), for an overall decline of 3%.[1] This decline is roughly equivalent to 18 months growth in the domestic market.
- Similarly, Asia-Pacific, Europe and other International markets have grown. (Note that 1999 European data excludes some charter services and thus the growth rates presented are somewhat overstated.)

Overall, it appears that domestic services have declined, while services in transborder and overseas markets has increased. There are a number of problems with this analysis, however. First, impacts differ markedly by region. Second, while transborder and overseas service has increased to the gateways, beyond the gateway operations have declined due to the cutbacks in domestic service and the loss of price competitive access for foreign carriers.

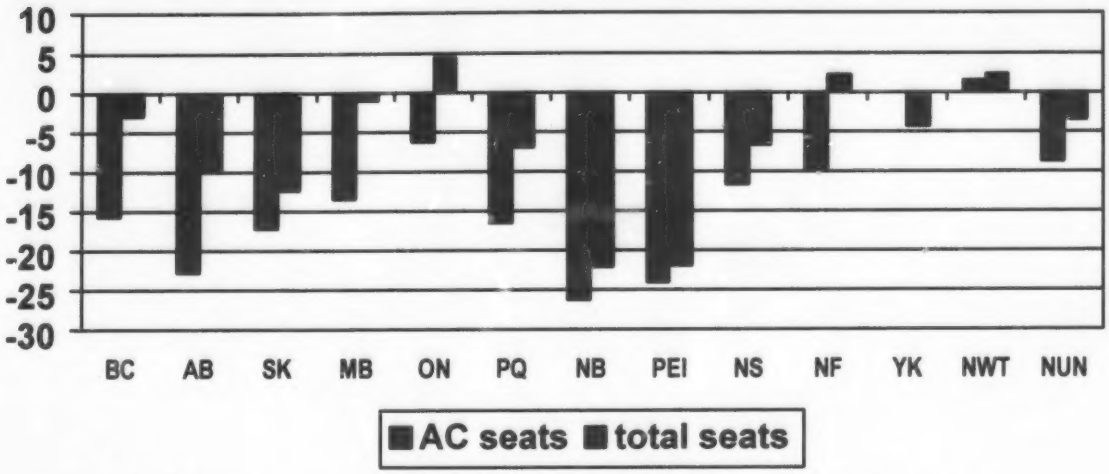
Figure 1: Percentage Change in AC Domestic Flights



A set of tables with details of impacts by province is attached as **Appendix A**. **Figure 1** shows the change in AC flights by province, and **Figure 2** shows the change in seats, both for AC and the total for all carriers. Almost all of the provinces have suffered declines in flights and seats by AC, but there are significant disparities. Ontario experienced the lowest impact. Most of the Maritimes and western prairies were especially hard hit, in large part due to the loss of service in the east by

[1] Note that the other domestic carriers are significantly smaller than AC. Thus their 40% increase only has the effect of offsetting a portion of the 13% decline is AC's seats.

Figure 2: Change in AC and Total Domestic Seats



InterCanadien. The one exception has been Newfoundland, where AC re-entered the Stephenville market. Figure 2 indicates that there has been a significant difference in terms of offsets from the independent air carriers. Saskatchewan and the Maritimes have had little offset. Ontario, B.C. and Manitoba have enjoyed very significant positive offsets.

Gateway Airports

Because of the importance of the gateways, a separate analysis was performed of the four major gateways for international services: Toronto, Vancouver, Montreal and Calgary. **Table 2** indicates the impact of AC's cuts in domestic service are roughly equal for the gateways and for Canada as a whole (see Table 1). Gateways have suffered a 23% reduction in domestic flights vs. 24% for Canada as a whole. In terms of seat capacity the impacts are –13% vs –14%. Similar conclusions are found for transborder and overseas services, although this is to be expected as the gateways account for the overwhelming bulk of this traffic.

The gateway airports do somewhat better than airports in the rest of Canada in terms of offsetting service gains from independent air carriers. A 72% growth in domestic seat capacity by WestJet, the charters and others results in an overall loss of total seat capacity of only 1.5%, versus a loss of 5% for the non-gateway airports.

Results by gateway are shown in **Figure 3**. (Details by gateway are provided in **Appendix B**. Notes on construction of Appendices A and B are found in **Appendix C.**) Here, there is substantial variation. Calgary, the former home of Canadian, has suffered a domestic capacity cut which is roughly double that of the others, and is the only gateway to lose transborder capacity. Montreal has achieved significant gains in transborder capacity.

Table 2: TOP FOUR CANADIAN GATEWAYS - INBOUND CAPACITY:
August 1999 versus August 2000
(includes all non-stop inbound frequencies and seats for YVR, YYC, YYZ and YUL)

		Total Gateway Airports					
		Flight Frequency			Seat Capacity		
		Aug-99	Aug-00	%	Aug-99	Aug-00	%
Domestic	AC Family	24,636	18,874	-23.4%	1,853,629	1,622,350	-12.5%
	Other Domestic	2,856	4,255	49.0%	275,888	474,427	72.0%
	TOTAL	*27,492*	*23,129*	*-15.9%*	*2,129,517*	*2,096,777*	*-1.5%*
Transborder	AC Family	6,374	7,595	19.2%	527,247	593,935	12.6%
	Other Domestic	158	233	47.5%	26,788	36,384	35.8%
	US Carriers	6,670	7,323	9.8%	655,551	703,253	7.3%
	Int'l Carriers	130	164	26.2%	45,841	55,510	21.1%
	TOTAL	*13,332*	*15,315*	*14.9%*	*1,255,427*	*1,389,082*	*10.6%*
Other International	AC Family	1,144	1,290	12.8%	257,367	288,347	12.0%
	Other Domestic[2]	38	184	N/A	45,948	87,646	N/A
	Int'l Carriers	884	933	5.5%	289,379	285,150	-1.5%
	TOTAL	*2,066*	*2,407*	*16.5%*	*592,694*	*661,143*	*11.5%*
Asia-Pacific	AC Family	284	354	24.6%	79,994	102,012	27.5%
	Int'l Carriers	216	188	-13.0%	79,803	72,836	-8.7%
	TOTAL	*500*	*542*	*8.4%*	*159,797*	*174,848*	*9.4%*
Europe	AC Family	650	695	6.9%	145,206	151,930	4.6%
	Other Domestic[2]	38	184	N/A	45,948	87,646	N/A
	Int'l Carriers	563	573	1.8%	187,583	180,356	-3.9%
	TOTAL	*1,251*	*1,452*	*16.1%*	*378,737*	*419,932*	*10.9%*
Misc. International	AC Family	210	241	14.8%	32,167	34,405	7.0%
	Int'l Carriers	105	172	63.8%	21,993	31,958	45.3%
	TOTAL	*315*	*413*	*31.1%*	*54,160*	*66,363*	*22.5%*
TOTAL[3]		42,890	40,851	-4.8%	3,977,638	4,147,002	4.3%

Source: Official Airline Guide OAG-MAX August 1999 and June 2000 data disks.

[1] "Other Domestic" denotes other Canadian airlines

[2] N/A - "Other Domestic" carriers cannot be calculated due to incomplete 1999 and 2000 data available for Royal Airlines, Air Transat and foreign charter carriers. (Canada 3000 international data obtained from flight schedules).

[3] Caution: Frequency and capacity data totals do not include <u>all</u> charter operations by Royal Airlines, Air Transat and foreign charter carriers.

[4] ***See notes to Air Capacity Tables in Appendix C for additional discussion on methodology, limitations and interpretation of data.***

Survey of Airports

Broad level analysis at the provincial level can often conceal impacts on individual communities. In order to obtain input at the community level, a survey was conducted of selected airports across Canada. (A list of the airports surveyed is provided in **Appendix D**). Data was gathered from airport managers via telephone interviews supported by a two-page questionnaire. (A copy of the questionnaire is provided in **Appendix E**). Respondents were asked to provide quantitative and qualitative information on flight frequencies, seating capacities, and airfare levels in their communities.

Key observations from the airports in the surveys (this excludes the four gateway airports) include:

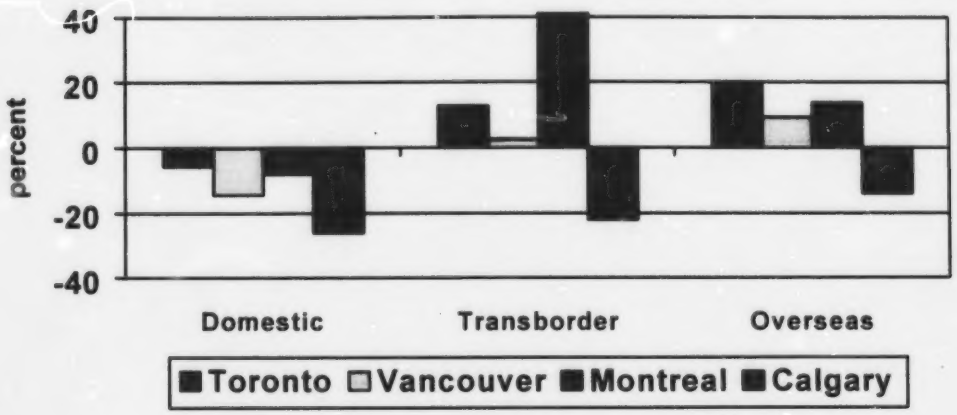
- **Flight Frequency.** Total flight frequency declined at all but two airports in Summer 2000 (Whitehorse and St. John's). On a sectoral basis, domestic markets were the hardest hit with 10 of the 11 airports reporting declines in domestic operations (St. John's was the only airport to report an increase). By comparison, only one airport reported a reduction in transborder flights (Quebec City), while 2 airports reported reduced international operations (Ottawa and Quebec City). Looking ahead to Fall 2000 and Summer 2001, all of the airports surveyed possessed very little information and insight as to how their facilities might be affected in the future, although a number of airport managers believed that the worst was behind them.

- **Seating Capacity.** Total seating capacity declined in 5 of the 11 markets in Summer 2000 (Edmonton, Regina, Quebec, Moncton and Halifax). As in the case of flight frequency, domestic markets were the hardest hit with 8 of the 11 airports reporting fewer seats in Summer 2000 than in Summer 1999 (Kelowna, Thunder Bay and St. John's were the exceptions). From a transborder perspective, only Quebec City reported a reduction in seating capacity, while at the international level, both Ottawa and Quebec City experienced capacity declines. None of the airport managers surveyed were able to provide seating capacity estimates for Fall 2000 and Summer 2001.

- **Connectivity.** Overall connectivity at the airports surveyed declined in Summer 2000 due to reductions in flight frequency and seating capacity. While domestic markets experienced the largest reductions, the news was not all bad. Some facilities (Kelowna, Edmonton, Halifax and St. John's) saw new routes introduced, while others (Winnipeg, Ottawa and Moncton) gained expanded or new services by WJ. In transborder and international markets, connectivity increased due to frequency and seating capacity increases. New routes were also added at Edmonton, Halifax and St. John's.

- **Airfare Levels.** None of the airports surveyed maintained comparative airfare data, however, most airport managers believed that the cost of flying to and from their markets had increased since the restructuring. Airfare increases were attributed primarily to a reduction in the availability of discount seats.

Figure 3: Change in AC Seat Capacity at Gateways



E. Other Impacts

Fares

Airlines do not charge only one price for their service. They offer a wide range of air fares, each with different restrictions on purchase or use of the ticket, such as Saturday stayover or penalties for changing flights. As a result, the industry uses *yield* as its measure of unit revenue. It is important to distinguish yields and fares. It is widely expected that fares will be relatively constant, likely with increases limited to the rise in inflation. However, by reducing the number of seats available at low fares, AC could achieve a major increase in the average airfare (yield).

There are a number of ways to regulate prices of a dominant airline. The approach used in previous eras was to regulate individual fares. This is the approach chosen by the MoT – the CTA can order fare changes in monopoly markets *upon complaint*.[2] In contrast, the trend elsewhere in the world when regulating monopolies is to regulate yields. This gives the regulated firm more managerial flexibility as well as prevents exploitation of market power by simply changing the number of discount seats available.

At this point, there is no solid information available on the merger's initial impact on fares. Anecdotal evidence suggests that a) there are no major *fare* increases taking place, b) the number of discount fares is being reduced and thus yields are rising, and c) in markets with new competition, such as Toronto/Hamilton-Moncton, there are substantial fare savings taking place. InterVISTAS cautions against using anecdotal information.

[2] There is an initial two year period during which the CTA may review fares on its own initiative, but after that it can review only upon complaint.

There is also some concern that the charter carriers and other independents could chose to follow the pricing lead of the dominant carrier. There is anecdotal evidence to this effect, but caution is urged until more evidence is available.

Routings

AC is pursuing a strategy of using its new critical mass to become a major international air carrier. It sees its primary opportunity in providing increased levels of service to US and overseas travellers to and through Canada. Accordingly, it is shifting its capacity from domestic to transborder and overseas markets.

It also seems to be the case that AC is shifting some domestic routings to overfly Toronto (E.g., Vancouver-Halifax, Winnipeg-Montreal). This will allow it to preserve capacity at Toronto for overseas services. However, a consequence is reduced connectivity between the Canada's number one gateway and other domestic markets.

Third level carriers

Some of the third level air carriers which had worked with Canadian have lost their code sharing and connection services . (E.g., Pacific Coastal). This is having a negative impact on their ability to sell their available capacity. However, until the sale of CRAL is sorted out, conclusions regarding these carriers should be withheld. The loss of CRAL could induce AC to form new alliances with the third level carriers.

F. Future Impacts

Fall/Winter 2000/2001

There are further impacts to come. The Summer 2000 schedule was put together in a remarkably short period of time for the complexity of the process and did not reflect opportunities to reduce the labour force through voluntary severance. It is expected that the Fall 2000 and Winter 2000/2001 schedules will see a number of further changes. Some new services will be cancelled if traffic levels do not support a reasonable return to AC. Some further schedule realignment can be expected in the Winter as AC puts a voluntary severance plan into action. As well, some analysts have suggested that AC will begin to remove some aircraft from the fleet, prior to the arrival of replacement aircraft. The DC-9 aircraft deployed on regional domestic routes could be phased out, with 737's and F-28s also targeted.

Canadian Regional (CRAL)

A major impact will take place if Canadian Regional Airlines is sold. In the medium term, an independent CRAL with links to US and overseas carriers could provide a competitive network alternative for some of the smaller communities. However, in the short term, many regional airports could experience a noticeable reduction in AC service, although with continuing but independent service by CRAL. Until the process is completed, it is a matter of considerable speculation as to: whether CRAL will be sold, whether it would be successful as an independent, and where it would operate. It would be unlikely to provide the comprehensive coverage or frequency of service which AC's feeders would provide, but if successful, could be beneficial to the development of competitive access to many tourism markets.

2002

In 2002, AC will be free to downsize its labour force. (It agreed not to involuntarily lay off workers for two years.) AC management are indicating that their business plan calls for growing, not downsizing, the airline. Nevertheless, downsizing in domestic markets while transborder and overseas services grow might continue. Total domestic seat capacity offered by the Air Canada family may be smaller in 2002 than it is at present.

Given its continuing market power and the lack of regulation of yields, average fares (i.e., yields) could rise. Higher yields would lead to reduced traffic, particularly in the price sensitive leisure markets. Independent carriers will expand, but by 2002, even if they double in size (based on fleet plans announced to date this is not expected until 2005), they will still be a small, although growing segment of the domestic market. Major population centres will likely enjoy competitive air fares and service, but the smaller communities could suffer higher fares and reduced access. A successful sale of CRAL could change this outcome to the benefit of the smaller communities, especially in the West.

G. Assessment of Effects on Canadian Tourism Industry

Airline industry restructuring will have a noticeable effect on Canada's tourism sector. This section highlights the major effects.

Improved gateway access to US and overseas markets

The strategy being pursued by AC is one which will likely see increased access to Canada's major gateways for US and overseas travellers. AC is clearly adding both frequency and destinations to its US and overseas networks from most gateways. Many countries and cities currently lacking direct Canadian carrier service will gain such access. This will create significant opportunities for tourism, conferences/trade shows, etc. at these gateways.

But Calgary has been a net loser as a gateway

While most gateways will have improved access to US and overseas markets, effects vary. Calgary in particular has been a net loser. It lost 22% of its AC family seat capacity to the US (17% of flights) and has lost its only AC family flight to Asia and Europe seat capacity is down 14%. AC has been making some additions to Calgary seat capacity, but overall it is still experiencing a noticeable reduction.

Reduced connectivity of regional markets to the gateways

While most of the gateways become more connected to the rest of the world, they are becoming less connected to the rest of Canada. Not only are many of Canada's smaller communities experiencing reduced service frequency, this is also decreasing connectivity to the gateways and thus to the rest of the world. Loss of connectivity manifests itself in reduced flights (and hence fewer convenient connections), fewer seats, and fewer seats at attractive connecting fares.

Higher yields (average fares) for non-gateway markets

AC has undertaken to limit increases in air fares. However, it has a powerful tool in being able to reduce the number of seats available in the low fare categories. This could result in higher yields (average fares) in the non-gateway markets. Tourism markets are much more price sensitive than business markets, suggesting potential significant negative impacts on tourism.

New code sharing opportunities

AC has entered into a major code share agreement with Delta Airlines, the third largest US carrier. This complements its agreement with United (the largest US carrier). With the proposed merger of US Airways with United, another major code share agreement is possible.

But loss of code sharing with some important carriers

The merger has resulted in the loss of code sharing into beyond-the-Canadian-gateway markets for **oneworld** carriers such as American, British Airways, etc., as well as for other important carriers, such as Alaska, which bring significant inbound tourism traffic to Canada.

Loss of attractive interline connection fares for important foreign carriers

When both AC and CAI operated, many foreign carriers had access to connecting domestic flights at reasonable add on fares. Today, however, many carriers not aligned with AC have lost their preferred access to domestic flights.

WestJet is not pursing a strategy of providing interline connections

WJ is following a typical low cost carrier strategy, a key element of which is *not* providing seamless interline services. Such services raise costs, dilute revenues and reduce aircraft productivity. While WJ does sell seats to a few charter and foreign carriers, these are not code shared do not appear in computer reservation systems under the codes of the charter and foreign carriers, and there is no interline baggage transfer. Thus, WJ is unlikely to providing offsetting access to foreign carriers.

Charter carriers and WJ can only provide a modest offset to reduced AC service

WJ and the charter carriers presently only account for 24% of the nation's seat capacity offered for sale. While several have announced ambitious route and fleet expansion plans, strong growth on a small base can provide only a modest offset to reductions by AC. Currently announced fleet expansions by WJ, Skyservice/Roots, Canada 3000 and potential newcomer CanJet, will increase the charter/WJ/CJ fleet from 75 to 137 aircraft (in 2005). This is still small, compared with AC's currently projected 2005 fleet of 462 aircraft.

An independent CRAL could provide important competitive access to beyond-the-gateway tourism markets.

If Canadian Regional Air Lines (CRAL) is successfully sold, then many Canadian communities will have service from an independent network carrier. It would not replicate the Air Canada network in scope and frequency, but might be able to provide a competitive choice for a number of Canadian communities. While there would be challenges faced by an independent CRAL, if successful, it would be likely to form code sharing alliances with important US and foreign airlines, restoring some price competitive access to a number of Canadian tourism destinations.

Some third level carriers have been excluded from the national network.

When Air Canada introduced its first set of rationalisations to the schedules of itself and Canadian, some third level carriers that had been providing interline code-share services to Canadian were excluded. The situation is still in flux and some further changes could take place.

Canada does not produce and report data which would allow monitoring

The MoT does not have a policy which will produce data on capacity, fares and yields on a timely basis. Without its own initiative, the Tourism industry will be unable to monitor developments.

Limited regulatory oversight

The limited regulatory oversight powers of the CTA should be noted, even with passage of Bill C-26. While the CTA will monitor fares, it will only operate on complaint after an initial period. It has no powers to regulate yields. The new ombudsperson-commissioner of the Canadian Transportation Agency will have no enforcement powers.

Appendix A: Flight and Capacity Impacts by Province

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CANADA TOTAL AIR SERVICE CAPACITY

(Includes all non-stop inbound/outbound domestic, transborder and international frequencies and seats)

August 1999 versus August 2000

By Carrier Group:		Canada Total					
		Frequency			Seat Capacity		
		Aug-99	Aug-00	% chang	Aug-99	Aug-00	% change
AC Family Carriers	Domestic	58,163	44,074	-24.2%	3,463,991	2,983,246	-13.9%
	Transborder	14,588	17,682	21.2%	1,157,426	1,323,924	14.4%
	Asia-Pacific	568	708	24.6%	159,988	204,024	27.5%
	Europe	1,460	1,514	3.7%	319,968	329,900	3.1%
	Other Internation	526	588	11.8%	69,542	74,178	6.7%
	Total	*75,305*	*64,566*	*-14.3%*	*5,170,915*	*4,915,272*	*-4.9%*
Other Domestic Carriers	*Total*	*25,357*	*30,100*	N/A	*1,039,407*	*1,522,035*	N/A
US Carriers	*Total*	*18,826*	*20,788*	*10.4%*	*1,550,752*	*1,680,920*	*8.4%*
Other International Carr	*Total*	*2,098*	*2,256*	*7.5%*	*686,310*	*694,238*	*1.2%*
Asia-Pacific Carriers		574	606	5.6%	206,238	216,424	4.9%
European Carriers		1,186	1,210	2.0%	386,712	374,704	-3.1%
Misc. International Carriers		338	440	30.2%	93,360	103,110	10.4%
Total Non-Domestic Carriers	*Total*	*20,924*	*23,044*	*10.1%*	*2,237,062*	*2,375,158*	*6.2%*

By Sector:		Canada Total					
		Frequency			Seat Capacity		
		Aug-99	Aug-00	% chang	Aug-99	Aug-00	% change
Domestic	AC Family	58,163	44,074	-24.2%	3,463,991	2,983,246	-13.9%
	Other Domestic	24,565	28,752	17.0%	838,695	1,175,675	40.2%
	TOTAL	*82,728*	*72,826*	*-12.0%*	*4,302,686*	*4,158,921*	*-3.3%*
Transborder	AC Family	14,588	17,682	21.2%	1,157,426	1,323,924	14.4%
	Other Domestic	638	762	19.4%	63,252	88,160	39.4%
	US Carriers	18,826	20,788	10.4%	1,550,752	1,680,920	8.4%
	Overseas Carrie	262	328	25.2%	91,970	111,020	20.7%
	TOTAL	*34,314*	*39,560*	*15.3%*	*2,863,400*	*3,204,024*	*11.9%*
Other International	AC Family	2,554	2,810	10.0%	549,498	608,102	10.7%
	Other Domestic[2]	154	586	N/A	137,460	258,200	N/A
	Overseas Carrie	1,836	1,928	5.0%	594,340	583,218	-1.9%
	TOTAL	*4,544*	*5,324*	*17.2%*	*1,281,298*	*1,449,520*	*13.1%*
Asia-Pacific	AC Family	568	708	24.6%	159,988	204,024	27.5%
	Overseas Carriers	432	376	-13.0%	159,606	145,672	-8.7%
	TOTAL	*1,000*	*1,084*	*8.4%*	*319,594*	*349,696*	*9.4%*
Europe	AC Family	1,460	1,514	3.7%	319,968	329,900	3.1%
	Other Domestic[1]	154	586	N/A	137,460	258,200	N/A
	Overseas Carriers	1,170	1,192	1.9%	383,368	370,942	-3.2%
	TOTAL	*2,784*	*3,292*	*18.2%*	*840,796*	*959,042*	*14.1%*
Misc. International	AC Family	526	588	11.8%	69,542	74,178	6.7%
	Overseas Carriers	234	360	53.8%	51,366	66,604	29.7%
	TOTAL	*760*	*948*	*24.7%*	*120,908*	*140,782*	*16.4%*

Notes:

Source: Official Airline Guide OAG-MAX August 1999 and June 2000 data disks.

1 "Other Domestic" denotes other Canadian airlines.

2 N/A - "Other Domestic" carriers cannot be calculated due to incomplete 1999 and 2000 data available for Royal Airlines, Air Transat and foreign charter carriers. (Canada 3000 international data obtained from flight

3 Caution: Frequency and capacity data totals do not include all charter operations by Royal Airlines, Air Transat and foreign charter carriers.

4 See notes to Air Capacity Tables in Appendix C for additional discussion on methodology, limitations and

CANADA TOTAL AIR SERVICE CAPACITY

(includes all non-stop inbound/outbound domestic, transborder and international frequencies and seats)

August 1999 versus August 2000

By Carrier Group		Canada Total					
		Frequency			Seat Capacity		
		Aug-99	Aug-00	% change	Aug-99	Aug-00	% change
AC Family Carriers	Domestic	58,163	44,753	-23.1%	5,181,440	4,284,240	-17.3%
	Transborder	11,588	11,584	0.0%	1,144,144	1,144,144	0.0%
	Asia-Pacific	568	1,136	100.0%	113,600	227,200	100.0%
	Europe	1,460	1,460	0.0%	262,800	262,800	0.0%
	Other International	526	526	0.0%	94,680	94,680	0.0%
	Total	72,305	59,459	-17.8%	6,796,664	6,013,064	-11.5%
Other Domestic Carriers	Total	25,257	25,257	0.0%	1,514,420	1,514,420	0.0%
US Carriers	Total	18,426	20,748	12.6%	1,466,784	1,649,920	12.5%
Other International Carriers	Total	2,048	2,048	0.0%	168,960	168,960	0.0%
Asia-Pacific Carriers		1,064	1,064	0.0%	85,120	85,120	0.0%
European Carriers		984	984	0.0%	83,840	83,840	0.0%
Misc. International Carriers		0	0		0	0	
Total Non-Domestic Carriers	Total	20,474	22,796	11.3%	1,635,744	1,818,880	11.2%
TOTAL		**121,586**	**117,710**	**-3.2%**	**8,447,384**	**8,812,465**	**4.3%**

By Sector		Canada Total					
		Frequency			Seat Capacity		
		Aug-99	Aug-00	% change	Aug-99	Aug-00	% change
Domestic	AC Family	58,163	44,753	-23.1%	5,181,440	4,284,240	-17.3%
	Other Domestic	24,672	24,672	0.0%	1,479,520	1,479,520	0.0%
	TOTAL	82,835	69,425	-16.2%	6,660,960	5,763,760	-13.5%
Transborder	AC Family	11,588	11,584	0.0%	1,144,144	1,144,144	0.0%
	Other Domestic	585	585	0.0%	34,900	34,900	0.0%
	US Carriers	18,426	20,748	12.6%	1,466,784	1,649,920	12.5%
	Overseas Carriers	252	252	0.0%	25,200	25,200	0.0%
	TOTAL	30,851	33,169	7.5%	2,671,028	2,854,164	6.9%
Other International	AC Family	2,094	2,662	27.1%	376,440	478,560	27.1%
	Other Domestic	584	584	0.0%	34,440	34,440	0.0%
	Overseas Carriers	1,796	2,324	29.4%	214,544	277,600	29.4%
	TOTAL	4,474	5,570	24.5%	625,424	790,600	26.4%
Asia-Pacific	AC Family	568	1,136	100.0%	113,600	227,200	100.0%
	Overseas Carriers	532	532	0.0%	42,560	42,560	0.0%
	TOTAL	1,100	1,668	51.6%	156,160	269,760	72.7%
Europe	AC Family	1,460	1,460	0.0%	262,800	262,800	0.0%
	Other Domestic	84	84	0.0%	4,200	4,200	0.0%
	Overseas Carriers	1,068	1,068	0.0%	192,240	192,240	0.0%
	TOTAL	2,612	2,612	0.0%	459,240	459,240	0.0%
Misc. International	AC Family	526	526	0.0%	94,680	94,680	0.0%
	Overseas Carriers	216	216	0.0%	19,440	19,440	0.0%
	TOTAL	742	742	0.0%	114,120	114,120	0.0%
TOTAL[3]		**121,586**	**117,710**	**-3.2%**	**8,447,384**	**8,812,465**	**4.3%**

Notes

Source: "Royal Airline Guide OAG-MAX August 1999 and June 2000" data bases

1 "Other Domestic" denotes other Canadian airlines

2 N.A. - "Other Domestic" carriers cannot be calculated due to incomplete 1999 and 2000 data available for Royal Airlines, Air Transat and foreign charter carriers. (Canada 2000 international data utilized here.)

3 Caution: Frequency and capacity data totals do not include all charter operations by Royal Airlines, Air Transat and foreign charter carriers.

4 See notes to Air Capacity Tables in Appendix C for additional discussion on methodology, limitations and

BRITISH COLUMBIA ALLOCATION OF TOTAL AIR SERVICE CAPACITY

(includes all non-stop inbound/outbound intra-provincial, transborder and international frequencies and seats and all inbound inter-provincial frequencies and August 1999 versus August 2000

By Carrier Group		British Columbia					
		Frequency			Seat Capacity		
		Aug-99	Aug-00	% change	Aug-99	Aug-00	% change
AC Family Carriers	Domestic	12,999	9,108	-29.9%	680,660	573,737	-15.7%
	Transborder	1,920	2,014	4.9%	173,168	177,874	2.7%
	Asia-Pacific	480	496	3.3%	136,756	149,544	9.4%
	Europe	164	186	20.8%	37,494	41,214	9.9%
	Other International	0	0	-	0	0	-
	Total	15,563	11,804	-24.1%	1,028,078	942,369	-8.3%
Other Domestic Carriers	Total	5,870	7,702	N.A.	251,547	338,311	N.A.
US Carriers	Total	8,708	8,262	-5.1%	415,546	446,132	7.4%
Other International Carriers	Total	664	678	2.1%	247,662	252,218	1.8%
	Asia-Pacific Carriers	428	432	0.9%	159,436	160,774	0.8%
	European Carriers	164	186	13.4%	48,114	51,444	6.9%
	Misc. International Carriers	72	60	-16.7%	40,112	40,000	-0.3%
Total Non-Domestic Carriers	Total	6,372	6,940	8.9%	663,208	698,350	5.3%
TOTAL		**27,795**	**26,446**	**-4.9%**	**1,942,833**	**1,979,030**	**1.9%**

By Sector		British Columbia					
		Frequency			Seat Capacity		
		Aug-99	Aug-00	% change	Aug-99	Aug-00	% change
Domestic	AC Family	12,999	9,108	-29.9%	680,660	573,737	-15.7%
	Other Domestic[1]	5,514	7,298	32.4%	227,565	307,329	35.1%
	TOTAL	18,513	16,406	-11.4%	908,225	881,066	-3.0%
Transborder	AC Family	1,920	2,014	4.9%	173,168	177,874	2.7%
	Other Domestic	356	386	8.4%	23,982	24,448	1.9%
	US Carriers	8,708	8,262	-5.1%	415,546	446,132	7.4%
	Overseas Carriers	62	98	58.1%	23,944	32,202	34.5%
	TOTAL	11,046	10,760	-2.6%	636,640	680,656	6.9%
Other International	AC Family	664	682	2.6%	174,250	180,768	3.5%
	Other Domestic[1]	0	18	N.A.	0	6,534	N.A.
	Overseas Carriers	802	580	-27.7%	223,668	229,776	2.6%
	TOTAL	1,236	1,280	3.6%	397,918	417,308	4.9%
Asia-Pacific	AC Family	480	496	3.3%	136,756	149,544	9.4%
	Other Domestic[1]	108	114	5.6%	23,364	24,576	5.2%
	Overseas Carriers	372	382	2.7%	136,072	136,198	0.1%
	TOTAL	960	992	3.3%	296,192	310,318	4.8%
Europe	AC Family	164	186	13.4%	37,494	41,214	9.9%
	Other Domestic[1]	12	12	N.A.	2,754	2,754	N.A.
	Overseas Carriers	164	186	13.4%	48,114	51,444	6.9%
	TOTAL	340	384	12.9%	88,362	95,412	8.0%
Misc. International	AC Family	0	0	-	0	0	-
	Other Domestic[1]	12	12	0.0%	2,754	2,754	0.0%
	Overseas Carriers	72	60	-16.7%	40,112	40,000	-0.3%
	TOTAL	84	72	-14.3%	42,866	42,754	-0.3%
TOTAL[3]		**27,795**	**26,446**	**-4.9%**	**1,942,833**	**1,979,030**	**1.9%**

Notes:

*The provincial allocations must only be analysed in conjunction with the "Canada Total Air Service Capacity." See point 3 of Appendix C.

Source: Official Airline Guide OAG-MAX August 1999 and June 2000 data disks.

1 "Other Domestic" denotes other Canadian airlines.

2 N.A. = "Other Domestic" carriers cannot be calculated due to incomplete 1999 and 2000 data available for Royal Airlines, Air Transat and foreign charter carriers. (Canada 3000 international data obtained from flight 4 Caution: Frequency and capacity data totals do not include all charter operations by Royal Airlines, Air Transat and foreign charter carriers.

3 See notes to Air Capacity Tables in Appendix C for additional discussion on methodology, limitations and

ALBERTA ALLOCATION OF TOTAL AIR SERVICE CAPACITY

(includes all non-stop inbound/outbound intra-provincial, transborder and international frequencies and seats and all inbound inter-provincial frequencies and August 1999 versus August 2000

By Carrier Group		Alberta					
		Frequency			Seat Capacity		
		Aug '99	Aug '00				
AC Family Carriers	Domestic	9,431	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	Transborder	842	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	Asia-Pacific	2	-	-	[illegible]	[illegible]	[illegible]
	Europe	204	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	Other International	0	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	Total	10,479	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Other Domestic Carriers	Total	1,571	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
US Carriers	Total	1,674	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Other International Carri	Total						
Asia-Pacific Carriers							
European Carriers							
Misc. International Carriers							
Total Non-Domestic Carriers	Total	3,184	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
TOTAL		**13,658**	**11,771**	**-13.8%**	**1,120,284**	**1,074,415**	**-4.1%**

By Sector		Alberta					
		Frequency			Seat Capacity		
		Aug '99	Aug '00	[illegible]	[illegible]	[illegible]	[illegible]
Domestic	AC Family	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	Other Domestic	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	TOTAL	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Transborder	AC Family	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	Other Domestic	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	US Carriers	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	Overseas Carriers						
	TOTAL	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Other International	AC Family	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	Other Domestic	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	Overseas Carriers						
	TOTAL	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Asia-Pacific	AC Family						
	Other Domestic						
	TOTAL						
Europe	AC Family	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	Other Domestic	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	Overseas Carriers						
	TOTAL	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Misc. International	AC Family						
	Overseas Carriers						
	TOTAL						
TOTAL[3]		**13,658**	**11,771**	**-13.8%**	**1,120,284**	**1,074,415**	**-4.1%**

Notes

* The provincial allocations must only be analysed in conjunction with the "Canada Total Air Service Capacity" [illegible] See point 5 of Appendix C.

Source: Official Airline Guide (OAG-MAX August 1999 and June 2000 data bases).

1 "Other Domestic" denotes other Canadian airlines.

2 N.A. "Other Domestic" carriers cannot be calculated due to incomplete 1999 and 2000 data [illegible] Royal Airlines, Air Transat and foreign charter carriers. In Canada 5(d) international data [illegible]

3 Caution: Frequency and capacity data totals do not include all charter operations by Royal Airlines, Air Transat and foreign charter carriers.

4 See notes to Air Canada Tables in Appendix C for additional [illegible]

BRITISH COLUMBIA ALLOCATION OF TOTAL AIR SERVICE CAPACITY

(includes all non-stop inbound/outbound intra-provincial, transborder and international frequencies and seats and all inbound inter-provincial frequencies and August 1999 versus August 2000

By Carrier Group:		British Columbia					
		Frequency			Seat Capacity		
		Aug-99	Aug-00	% chang	Aug-99	Aug-00	% change
AC Family Carriers	Domestic	12,999	9,108	-29.9%	680,660	573,737	-15.7%
	Transborder	1,920	2,014	4.9%	173,168	177,874	2.7%
	Asia-Pacific	480	496	3.3%	136,756	149,544	9.4%
	Europe	154	186	20.8%	37,494	41,214	9.9%
	Other Internation	0	0	-	0	0	-
	Total	*15,553*	*11,804*	*-24.1%*	*1,028,078*	*942,369*	*-8.3%*
Other Domestic Carriers	*Total*	*5,870*	*7,702*	N/A	*251,547*	*338,311*	N/A
US Carriers	*Total*	*5,708*	*6,262*	*9.7%*	*415,546*	*446,132*	*7.4%*
Other International Carri	*Total*	*664*	*678*	*2.1%*	*247,662*	*252,218*	*1.8%*
Asia-Pacific Carriers		478	492	2.9%	179,648	185,074	3.0%
European Carriers		186	186	0.0%	68,014	67,144	-1.3%
Misc. International Carriers		0	0	-	0	0	-
Total Non-Domestic Carriers	*Total*	*6,372*	*6,940*	*8.9%*	*663,208*	*698,350*	*5.3%*

By Sector:		British Columbia					
		Frequency			Seat Capacity		
		Aug-99	Aug-00	% chang	Aug-99	Aug-00	% change
Domestic	AC Family	12,999	9,108	-29.9%	680,660	573,737	-15.7%
	Other Domestic	5,514	7,298	32.4%	227,565	307,329	35.1%
	TOTAL	*18,513*	*16,406*	*-11.4%*	*908,225*	*881,066*	*-3.0%*
Transborder	AC Family	1,920	2,014	4.9%	173,168	177,874	2.7%
	Other Domestic	356	386	8.4%	23,982	24,448	1.9%
	US Carriers	5,708	6,262	9.7%	415,546	446,132	7.4%
	Overseas Carrie	62	98	58.1%	23,994	32,202	34.2%
	TOTAL	*8,046*	*8,760*	*8.9%*	*636,690*	*680,656*	*6.9%*
Other International	AC Family	634	682	7.6%	174,250	190,758	9.5%
	Other Domestic[2]	0	18	N/A	0	6,534	N/A
	Overseas Carrie	602	580	-3.7%	223,668	220,016	-1.6%
	TOTAL	*1,236*	*1,280*	*3.6%*	*397,918*	*417,308*	*4.9%*
Asia-Pacific	AC Family	480	496	3.3%	136,756	149,544	9.4%
	Overseas Carriers	398	376	-5.5%	148,454	145,672	-1.9%
	TOTAL	*878*	*872*	*-0.7%*	*285,210*	*295,216*	*3.5%*
Europe	AC Family	154	186	20.8%	37,494	41,214	9.9%
	Other Domestic[2]	0	18	N/A	0	6,534	N/A
	Overseas Carriers	186	186	0.0%	68,014	67,144	-1.3%
	TOTAL	*340*	*390*	*14.7%*	*105,508*	*114,892*	*8.9%*
Misc. International	AC Family	0	0	-	0	0	-
	Overseas Carriers	18	18	0.0%	7,200	7,200	0.0%
	TOTAL	*18*	*18*	*0.0%*	*7,200*	*7,200*	*0.0%*

Notes:

*The provincial allocations must only be analysed in conjunction with the "Canada Total Air Service Capacity." See point 3 of Appendix C.

Source: Official Airline Guide OAG-MAX August 1999 and June 2000 data disks.

1 "Other Domestic" denotes other Canadian airlines.

2 N/A - "Other Domestic" carriers cannot be calculated due to incomplete 1999 and 2000 data available for Royal Airlines, Air Transat and foreign charter carriers. (Canada 3000 international data obtained from flight

3 Caution: Frequency and capacity data totals do not include all charter operations by Royal Airlines, Air Transat and foreign charter carriers.

4 See notes to Air Capacity Tables in Appendix C for additional discussion on methodology, limitations and

ALBERTA ALLOCATION OF TOTAL AIR SERVICE CAPACITY

(includes all non-stop inbound/outbound intra-provincial, transborder and international frequencies and seats and all inbound inter-provincial frequencies and August 1999 versus August 2000

By Carrier Group:

		Alberta					
		Frequency			Seat Capacity		
		Aug-99	Aug-00	% chang	Aug-99	Aug-00	% change
AC Family Carriers	Domestic	9,370	6,963	-25.7%	603,836	466,246	-22.8%
	Transborder	832	790	-5.0%	80,510	72,732	-9.7%
	Asia-Pacific	2	0	-100.0%	528	0	-100.0%
	Europe	204	186	-8.8%	52,884	45,756	-13.5%
	Other Internation	0	0	-	0	0	-
	Total	*10,408*	*7,939*	*-23.7%*	*737,758*	*584,734*	*-20.7%*
Other Domestic Carriers	*Total*	*1,576*	*2,096*	N/A	*202,230*	*300,207*	N/A
US Carriers	*Total*	*1,674*	*1,736*	*3.7%*	*180,296*	*189,474*	*5.1%*
Other International Carr	*Total*	*0*	*0*	-	*0*	*0*	-
Asia-Pacific Carriers		0	0	-	0	0	-
European Carriers		0	0	-	0	0	-
Misc. International Carriers		0	0	-	0	0	-
Total Non-Domestic Carriers	*Total*	*1,674*	*1,736*	*3.7%*	*180,296*	*189,474*	*5.1%*

By Sector:

		Alberta					
		Frequency			Seat Capacity		
		Aug-99	Aug-00	% chang	Aug-99	Aug-00	% change
Domestic	AC Family	9,370	6,963	-25.7%	603,836	466,246	-22.8%
	Other Domestic	1,514	1,934	27.7%	162,898	223,643	37.3%
	TOTAL	*10,884*	*8,897*	*-18.3%*	*766,734*	*689,889*	*-10.0%*
Transborder	AC Family	832	790	-5.0%	80,510	72,732	-9.7%
	Other Domestic	36	34	-5.6%	6,048	5,712	-5.6%
	US Carriers	1,674	1,736	3.7%	180,296	189,474	5.1%
	Overseas Carrie	0	0	-	0	0	-
	TOTAL	*2,542*	*2,560*	*0.7%*	*266,854*	*267,918*	*0.4%*
Other International	AC Family	206	186	-9.7%	53,412	45,756	-14.3%
	Other Domestic[2]	26	128	N/A	33,284	70,852	N/A
	Overseas Carrie	0	0	-	0	0	-
	TOTAL	*232*	*314*	*35.3%*	*86,696*	*116,608*	*34.5%*
Asia-Pacific	AC Family	2	0	-100.0%	528	0	-100.0%
	Overseas Carriers	0	0	-	0	0	-
	TOTAL	*2*	*0*	*-100.0%*	*528*	*0*	*-100.0%*
Europe	AC Family	204	186	-8.8%	52,884	45,756	-13.5%
	Other Domestic*	26	128	N/A	33,284	70,852	N/A
	Overseas Carriers	0	0	-	0	0	-
	TOTAL	*230*	*314*	*36.5%*	*86,168*	*116,608*	*35.3%*
Misc. International	AC Family	0	0	-	0	0	-
	Overseas Carriers	0	0	-	0	0	-
	TOTAL	*0*	*0*	-	*0*	*0*	-

Notes:

*The provincial allocations must only be analysed in conjunction with the "Canada Total Air Service Capacity " See point 3 of Appendix C.

Source: Official Airline Guide OAG-MAX August 1999 and June 2000 data disks.

1 "Other Domestic" denotes other Canadian airlines.

2 N/A - "Other Domestic" carriers cannot be calculated due to incomplete 1999 and 2000 data available for Royal Airlines, Air Transat and foreign charter carriers. (Canada 3000 international data obtained from flight

3 Caution: Frequency and capacity data totals do not include all charter operations by Royal Airlines, Air Transat and foreign charter carriers.

4 See notes to Air Capacity Tables in Appendix C for additional discussion on methodology, limitations and

SASKATCHEWAN ALLOCATION OF TOTAL AIR SERVICE CAPACITY

(includes all non-stop inbound/outbound intra-provincial, transborder and international frequencies and seats and all inbound inter-provincial frequencies and August 1999 versus August 2000

By Carrier Group:

		Saskatchewan					
		Frequency			Seat Capacity		
		Aug-99	Aug-00	% chang	Aug-99	Aug-00	% change
AC Family Carriers	Domestic	1,269	987	-22.2%	76,820	63,595	-17.2%
	Transborder	0	0	-	0	0	-
	Asia-Pacific	0	0	-	0	0	-
	Europe	0	0	-	0	0	-
	Other Internation	0	0	-	0	0	-
	Total	*1,269*	*987*	*-22.2%*	*76,820*	*63,595*	*-17.2%*
Other Domestic Carriers	*Total*	*1,820*	*1,700*	N/A	*54,290*	*51,308*	N/A
US Carriers	*Total*	*248*	*248*	*0.0%*	*22,728*	*23,808*	*4.8%*
Other International Carr	*Total*	*0*	*0*	-	*0*	*0*	-
Asia-Pacific Carriers		0	0	-	0	0	-
European Carriers		0	0	-	0	0	-
Misc. International Carriers		0	0	-	0	0	-
Total Non-Domestic Carriers	*Total*	*248*	*248*	*0.0%*	*22,728*	*23,808*	*4.8%*

By Sector:

		Saskatchewan					
		Frequency			Seat Capacity		
		Aug-99	Aug-00	% chang	Aug-99	Aug-00	% change
Domestic	AC Family	1,269	987	-22.2%	76,820	63,595	-17.2%
	Other Domestic	1,820	1,700	-6.6%	54,290	51,308	-5.5%
	TOTAL	*3,089*	*2,687*	*-13.0%*	*131,110*	*114,903*	*-12.4%*
Transborder	AC Family	0	0	-	0	0	-
	Other Domestic	0	0	-	0	0	-
	US Carriers	248	248	0.0%	22,728	23,808	4.8%
	Overseas Carrie	0	0	-	0	0	-
	TOTAL	*248*	*248*	*0.0%*	*22,728*	*23,808*	*4.8%*
Other International	AC Family	0	0	-	0	0	-
	Other Domestic[2]	0	0	-	0	0	-
	Overseas Carrie	0	0	-	0	0	-
	TOTAL	*0*	*0*	-	*0*	*0*	-
Asia-Pacific	AC Family	0	0	-	0	0	-
	Overseas Carriers	0	0	-	0	0	-
	TOTAL	*0*	*0*	-	*0*	*0*	-
Europe	AC Family	0	0	-	0	0	-
	Other Domestic[1]	0	0	-	0	0	-
	Overseas Carriers	0	0	-	0	0	-
	TOTAL	*0*	*0*	-	*0*	*0*	-
Misc. International	AC Family	0	0	-	0	0	-
	Overseas Carriers	0	0	-	0	0	-
	TOTAL	*0*	*0*	-	*0*	*0*	-

Notes:

*The provincial allocations must only be analysed in conjunction with the "Canada Total Air Service Capacity." See point 3 of Appendix C.

Source: Official Airline Guide OAG-MAX August 1999 and June 2000 data disks.

1 "Other Domestic" denotes other Canadian airlines.

2 N/A - "Other Domestic" carriers cannot be calculated due to incomplete 1999 and 2000 data available for Royal Airlines, Air Transat and foreign charter carriers. (Canada 3000 international data obtained from flight

3 Caution: Frequency and capacity data totals do not include all charter operations by Royal Airlines, Air Transat and foreign charter carriers.

4 See notes to Air Capacity Tables in Appendix C for additional discussion on methodology, limitations and

MANITOBA ALLOCATION OF TOTAL AIR SERVICE CAPACITY

(includes all non-stop inbound/outbound intra-provincial, transborder and international frequencies and seats and all inbound inter-provincial frequencies and August 1999 versus August 2000

By Carrier Group:

		Manitoba					
		Frequency			Seat Capacity		
		Aug-99	Aug-00	% chang	Aug-99	Aug-00	% change
AC Family Carriers	Domestic	2,447	2,095	-14.4%	162,854	140,842	-13.5%
	Transborder	186	426	129.0%	17,808	24,524	37.7%
	Asia-Pacific	0	0	-	0	0	-
	Europe	0	0	-	0	0	-
	Other Internation	0	0	-	0	0	-
	Total	*2,633*	*2,521*	*-4.3%*	*180,662*	*165,366*	*-8.5%*
Other Domestic Carriers	*Total*	*2,879*	*3,176*	N/A	*73,266*	*92,912*	N/A
US Carriers	*Total*	*310*	*372*	*20.0%*	*35,992*	*43,056*	*19.6%*
Other International Carr	*Total*	*0*	*0*	-	*0*	*0*	-
Asia-Pacific Carriers		0	0	-	0	0	-
European Carriers		0	0	-	0	0	-
Misc. International Carriers		0	0	-	0	0	-
Total Non-Domestic Carriers	*Total*	*310*	*372*	*20.0%*	*35,992*	*43,056*	*19.6%*

By Sector:

		Manitoba					
		Frequency			Seat Capacity		
		Aug-99	Aug-00	% chang	Aug-99	Aug-00	% change
Domestic	AC Family	2,447	2,095	-14.4%	162,854	140,842	-13.5%
	Other Domestic	2,879	3,176	10.3%	73,266	92,912	26.8%
	TOTAL	*5,326*	*5,271*	*-1.0%*	*236,120*	*233,754*	*-1.0%*
Transborder	AC Family	186	426	129.0%	17,808	24,524	37.7%
	Other Domestic	0	0	-	0	0	-
	US Carriers	310	372	20.0%	35,992	43,056	19.6%
	Overseas Carrier	0	0	-	0	0	-
	TOTAL	*496*	*798*	*60.9%*	*53,800*	*67,580*	*25.6%*
Other International	AC Family	0	0	-	0	0	-
	Other Domestic[2]	0	0	-	0	0	-
	Overseas Carrier	0	0	-	0	0	-
	TOTAL	*0*	*0*	-	*0*	*0*	-
Asia-Pacific	AC Family	0	0	-	0	0	-
	Overseas Carriers	0	0	-	0	0	-
	TOTAL	*0*	*0*	-	*0*	*0*	-
Europe	AC Family	0	0	-	0	0	-
	Other Domestic[1]	0	0	-	0	0	-
	Overseas Carriers	0	0	-	0	0	-
	TOTAL	*0*	*0*	-	*0*	*0*	-
Misc. International	AC Family	0	0	-	0	0	-
	Overseas Carriers	0	0	-	0	0	-
	TOTAL	*0*	*0*	-	*0*	*0*	-

Notes:

*The provincial allocations must only be analysed in conjunction with the "Canada Total Air Service Capacity." See point 3 of Appendix C.

Source: Official Airline Guide OAG-MAX August 1999 and June 2000 data disks.

1 "Other Domestic" denotes other Canadian airlines.

2 N/A - "Other Domestic" carriers cannot be calculated due to incomplete 1999 and 2000 data available for Royal Airlines, Air Transat and foreign charter carriers. (Canada 3000 international data obtained from flight

3 Caution: Frequency and capacity data totals do not include all charter operations by Royal Airlines, Air Transat and foreign charter carriers.

4 See notes to Air Capacity Tables in Appendix C for additional discussion on methodology, limitations and

SASKATCHEWAN ALLOCATION OF TOTAL AIR SERVICE CAPACITY

(includes all non-stop inbound/outbound intra-provincial, transborder and international frequencies and seats and all inbound inter-provincial frequencies and August 1999 versus August 2000

By Carrier Group:

		Saskatchewan					
		Frequency			Seat Capacity		
		Aug-99	Aug-00	% change	Aug-99	Aug-00	% change
AC Family Carriers	Domestic	1,269	987	-22.2%	76,820	63,595	-17.2%
	Transborder	0	0	-	0	0	-
	Asia-Pacific	0	0	-	0	0	-
	Europe	0	0	-	0	0	-
	Other International	0	0	-	0	0	-
	Total	1,269	987	-22.2%	76,820	63,595	-17.2%
Other Domestic Carriers	Total	1,820	1,700	N.A.	54,290	51,308	N.A.
US Carriers	Total	248	248	0.0%	22,728	23,808	4.8%
Other International Carr	Total	0	0	-	0	0	-
Asia-Pacific Carriers							
European Carriers							
Misc. International Carriers							
Total Non-Domestic Carriers	Total	248	248	0.0%	22,728	23,808	4.8%
TOTAL		**3,337**	**2,935**	**-12.0%**	**153,838**	**138,711**	**-9.8%**

By Sector:

		Saskatchewan					
		Frequency			Seat Capacity		
		Aug-99	Aug-00	% change	Aug-99	Aug-00	% change
Domestic	AC Family	1,269	987	-22.2%	76,820	63,595	-17.2%
	Other Domestic	1,820	1,700	-6.6%	54,290	51,308	-5.5%
	TOTAL	3,089	2,687	-13.0%	131,110	114,903	-12.4%
Transborder	AC Family	0	0	-	0	0	-
	Other Domestic	0	0	-	0	0	-
	US Carriers	248	248	0.0%	22,728	23,808	4.8%
	Overseas Carrier	0	0	-	0	0	-
	TOTAL	248	248	0.0%	22,728	23,808	4.8%
Other International	AC Family	0	0	-	0	0	-
	Other Domestic[1]	0	0	-	0	0	-
	Overseas Carrier	0	0	-	0	0	-
	TOTAL	0	0	-	0	0	-
Asia-Pacific	AC Family						
	Overseas Carriers						
	TOTAL	0	0	-	0	0	-
Europe	AC Family						
	Other Domestic[1]						
	Overseas Carriers						
	TOTAL	0	0	-	0	0	-
Misc. International	AC Family						
	Overseas Carriers						
	TOTAL	0	0	-	0	0	-
TOTAL[3]		**3,337**	**2,935**	**-12.0%**	**153,838**	**138,711**	**-9.8%**

Notes:

*The provincial allocations must only be analysed in conjunction with the "Canada Total Air Service Capacity." See point 3 of Appendix C.

Source: Official Airline Guide OAG-MAX August 1999 and June 2000 data disks.

1 "Other Domestic" denotes other Canadian airlines.

2 N.A. - "Other Domestic" carriers cannot be calculated due to incomplete 1999 and 2000 data available for Royal Airlines, Air Transat and foreign charter carriers. (Canada 3000 international data obtained from flight

3 Caution: Frequency and capacity data totals do not include all charter operations by Royal Airlines, Air Transat and foreign charter carriers.

4 See notes to Air Capacity Tables in Appendix C for additional discussion on methodology, limitations and

MANITOBA ALLOCATION OF TOTAL AIR SERVICE CAPACITY

(includes all non-stop inbound/outbound intra-provincial, transborder and international frequencies and seats and all inbound inter-provincial frequencies and August 1999 versus August 2000

By Carrier Group:		Manitoba					
		Frequency			Seat Capacity		
		Aug-99	Aug-00	% change	Aug-99	Aug-00	% change
AC Family Carriers	Domestic	2,447	2,064	-15.6%	162,864	134,842	-17.2%
	Transborder	186	426	129.0%	11,856	24,528	106.9%
	Asia-Pacific	0	0		0	0	
	Europe	0	0		0	0	
	Other International	0	0		0	0	
	Total	2,633	2,490	-5.4%	174,720	159,370	-8.8%
Other Domestic Carriers	Total	2,879	3,176	10.3%	73,256	92,014	25.6%
US Carriers	Total	310	372	20.0%	15,944	21,950	37.7%
Other International Carr	Total	0	0		0	0	
Asia Pacific Carriers							
European Carriers							
Misc. International Carriers							
Total Non-Domestic Carriers	Total	310	372	20.0%	15,944	21,950	37.7%
TOTAL		**5,822**	**6,069**	**4.2%**	**289,920**	**301,334**	**3.9%**

By Sector		Manitoba					
		Frequency			Seat Capacity		
		Aug-99	Aug-00	% change	Aug-99	Aug-00	% change
Domestic	AC Family	2,447	2,064	-15.6%	162,864	134,842	-17.2%
	Other Domestic	2,879	3,176	10.3%	73,256	92,014	25.6%
	TOTAL	5,326	5,240	-1.6%	236,120	226,856	-3.9%
Transborder	AC Family	186	426	129.0%	11,856	24,528	106.9%
	Other Domestic	0	0		0	0	
	US Carriers	310	372	20.0%	15,944	21,950	37.7%
	Overseas Carrier	0	0		0	0	
	TOTAL	496	798	60.9%	27,800	46,478	67.2%
Other International	AC Family	0	0		0	0	
	Other Domestic	0	0		0	0	
	Overseas Carrier	0	0		0	0	
	TOTAL	0	0		0	0	
Asia-Pacific	AC Family						
	Overseas Carriers						
	TOTAL						
Europe	AC Family						
	Other Domestic						
	Overseas Carriers						
	TOTAL						
Misc. International	AC Family						
	Overseas Carriers						
	TOTAL						
TOTAL[3]		**5,822**	**6,069**	**4.2%**	**289,920**	**301,334**	**3.9%**

Notes:

1 The provincial allocations must only be analysed in conjunction with the "Canada Total Air Service Capacity."
See point 3 of Appendix C.

Source: Official Airline Guide OAG-MAX August 1999 and June 2000 data disks.

2 "Other Domestic" denotes other Canadian airlines.

3 N.A. - "Other Domestic" carriers cannot be calculated due to incomplete 1999 and 2000 data available for Royal Airlines, Air Transat and foreign charter carriers. (Canada 3000 international data obtained from Flight).

3 Caution: Frequency and capacity data totals do not include all charter operations by Royal Airlines, Air Transat and foreign charter carriers.

4 See notes to Air Capacity Tables in Appendix C for additional discussion on methodology, limitations and

ONTARIO ALLOCATION OF TOTAL AIR SERVICE CAPACITY

(includes all non-stop inbound/outbound intra-provincial, transborder and international frequencies and seats and all inbound inter-provincial frequencies and August 1999 versus August 2000

By Carrier Group		Ontario					
		Frequency			Seat Capacity		
		Aug-99	Aug-00	% change	Aug-99	Aug-00	% change
AC Family Carriers	Domestic	14,216	11,960	-15.8%	1,048,409	982,440	-6.3%
	Transborder	9,435	11,456	21.3%	737,662	840,124	13.9%
	Asia-Pacific	80	212	165.0%	22,704	54,480	140.0%
	Europe	844	868	4.4%	167,262	172,370	3.1%
	Other International	174	433	155.9%	58,402	61,320	5.0%
	Total	24,949	24,925	-0.1%	2,034,439	2,110,734	3.8%
Other Domestic Carriers	Total	1,226	1,613	N.A.	238,159	425,251	N.A.
US Carriers	Total	7,310	8,420	15.2%	616,780	682,150	10.6%
Other International Carriers	Total	788	930	18.0%	231,092	251,874	9.0%
Asia-Pacific Carriers		0	0	0.0%	0	0	0.0%
European Carriers		42	50	19.0%	11,676	14,000	19.9%
Misc. International Carriers		746	880	18.0%	219,416	237,874	8.4%
Total Non-Domestic Carriers	Total	8,098	9,350	15.5%	847,872	934,024	10.2%
TOTAL		**39,380**	**41,888**	**6.4%**	**3,120,470**	**3,470,009**	**11.2%**

By Sector		Ontario					
		Frequency			Seat Capacity		
		Aug-99	Aug-00	% change	Aug-99	Aug-00	% change
Domestic	AC Family	14,216	11,960	-15.8%	1,048,409	982,440	-6.3%
	Other Domestic	6,134	7,121	16.1%	764,267	883,249	15.6%
	TOTAL	20,350	19,081	-6.2%	1,812,676	1,865,689	2.9%
Transborder	AC Family	9,435	11,456	21.4%	737,662	840,124	13.9%
	Other Domestic	854	232	-72.8%	26,892	10,954	-59.3%
	US Carriers	7,310	8,420	15.2%	616,780	682,150	10.6%
	Overseas Carriers	42	50	19.0%	11,676	14,000	19.9%
	TOTAL	17,641	20,158	14.3%	1,393,010	1,547,228	11.1%
Other International	AC Family	1,284	1,602	24.8%	245,968	288,177	17.2%
	Other Domestic	38	260	584.2%	47,000	531,712	1031.3%
	Overseas Carriers	746	880	18.0%	219,416	237,874	8.4%
	TOTAL	2,068	2,742	32.6%	484,978	597,868	23.3%
Asia-Pacific	AC Family	80	212	165.0%	22,704	54,480	140.0%
	Overseas Carriers	0	0	0.0%	0	0	0.0%
	TOTAL	80	212	165.0%	22,704	54,480	140.0%
Europe	AC Family	844	868	2.8%	167,262	172,370	3.1%
	Other Domestic	38	260	584.2%	47,000	531,712	1031.3%
	Overseas Carriers	42	50	19.0%	11,676	14,000	19.9%
	TOTAL	924	1,178	27.5%	225,938	718,082	217.9%
Misc. International	AC Family	174	433	148.9%	58,402	61,320	5.0%
	Overseas Carriers	746	880	18.0%	219,416	237,874	8.4%
	TOTAL	920	1,313	42.7%	277,818	299,194	7.7%
TOTAL[3]		**39,380**	**41,888**	**6.4%**	**3,120,470**	**3,470,009**	**11.2%**

Notes

*The provincial allocations must only be analysed in conjunction with the "Canada Total Air Service Capacity," see point 3 of Appendix C.

Source: Official Airline Guide OAG-MAX August 1999 and June 2000 data bases

1 "Other Domestic" denotes other Canadian airlines

2 N.A. - "Other Domestic" carriers cannot be calculated due to incomplete 1999 and 2000 data available for Royal Airlines, Air Transat and foreign charter carriers. (Canada 2000 international data obtained from flight

3 Caution: Frequency and capacity data totals do not include all charter operations by Royal Airlines, Air Transat and foreign charter carriers.

4 See notes to Air Capacity Tables in Appendix C for additional discussion on methodology, limitations and

QUEBEC ALLOCATION OF TOTAL AIR SERVICE CAPACITY

(includes all non-stop inbound/outbound intra-provincial, transborder and international frequencies and seats and all inbound inter-provincial frequencies and August 1999 versus August 2000

By Carrier Group		Quebec					
		Frequency			Seat Capacity		
		Aug-99	Aug-00	Change	Aug-99	Aug-00	Change
AC Family Carriers	Domestic	8,481	8,[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	Transborder	1,744	2,[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	Asia-Pacific	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	Europe	2[illegible]	2[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	Other International	3[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	Total	10,[illegible]	11,[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Other Domestic Carriers	Total	2,7[illegible]	1,[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
US Carriers	Total	3,[illegible]	3,[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Other International Carr	Total	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Asia-Pacific Carriers		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
European Carriers		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Misc. International Carriers		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total Non-Domestic Carriers	Total	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
TOTAL		**16,999**	**15,940**	**-6.2%**	**1,168,651**	**1,216,059**	**4.1%**

By Sector		Quebec					
		Frequency			Seat Capacity		
		Aug-99	Aug-00	Change	Aug-99	Aug-00	Change
Domestic	AC Family	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	Other Domestic	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	TOTAL	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Transborder	AC Family	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	Other Domestic	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	US Carriers	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	Overseas Carriers	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	TOTAL	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Other International	AC Family	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	Other Domestic	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	Overseas Carriers	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	TOTAL	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Asia-Pacific	AC Family						
	Overseas Carriers						
	TOTAL						
Europe	AC Family	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	Other Domestic	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	Overseas Carriers	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	TOTAL	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Misc. International	AC Family	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	Overseas Carriers	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	TOTAL	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
TOTAL[3]		**16,999**	**15,940**	**-6.2%**	**1,168,651**	**1,216,059**	**4.1%**

Notes

*The provincial allocations must only be analysed in conjunction with the "Canada Total Air Service Capacity" See point 4 of Appendix C

Source: Official Airline Guide OAG-Max August 1999 and June 2000 data bases

1 "Other Domestic" denotes other Canadian airlines

2 N.A. "Other Domestic" carriers cannot be calculated due to incomplete 1999 and 2000 data available for Royal Airlines, Air Transat and foreign charter carriers. (Canada 2000 International data obtained from flight

3 Caution: Frequency and capacity data totals do not include all charter operations by Royal Airlines, Air Transat and foreign charter carriers

4 See notes to Air Capacity Tables in Appendix C for additional discussion on methodology, limitations and

ONTARIO ALLOCATION OF TOTAL AIR SERVICE CAPACITY

(Includes all non-stop inbound/outbound intra-provincial, transborder and international frequencies and seats and all inbound inter-provincial frequencies and August 1999 versus August 2000

By Carrier Group:

		Ontario					
		Frequency			Seat Capacity		
		Aug-99	Aug-00	% chang	Aug-99	Aug-00	% change
AC Family Carriers	Domestic	14,216	11,967	-15.8%	1,048,409	982,440	-6.3%
	Transborder	9,448	11,456	21.3%	737,662	840,124	13.9%
	Asia-Pacific	86	212	146.5%	22,704	54,480	140.0%
	Europe	822	858	4.4%	167,262	172,370	3.1%
	Other Internation	374	432	15.5%	58,402	61,320	5.0%
	Total	*24,946*	*24,925*	*-0.1%*	*2,034,439*	*2,110,734*	*3.8%*
Other Domestic Carriers	*Total*	*6,336*	*7,613*	N/A	*238,159*	*425,251*	N/A
US Carriers	*Total*	*7,310*	*8,420*	*15.2%*	*616,780*	*682,150*	*10.6%*
Other International Carr	*Total*	*768*	*930*	*21.1%*	*231,092*	*251,874*	*9.0%*
Asia-Pacific Carriers		98	114	16.8%	28,590	31,350	17.9%
European Carriers		460	506	10.0%	155,680	160,982	3.4%
Misc. International Carriers		212	310	46.2%	46,822	59,562	27.0%
Total Non-Domestic Carriers	*Total*	*8,078*	*9,350*	*15.7%*	*847,872*	*934,024*	*10.2%*

By Sector:

		Ontario					
		Frequency			Seat Capacity		
		Aug-99	Aug-00	% chang	Aug-99	Aug-00	% change
Domestic	AC Family	14,216	11,967	-15.8%	1,048,409	982,440	-6.3%
	Other Domestic	6,134	7,131	16.3%	164,267	283,291	72.5%
	TOTAL	*20,350*	*19,098*	*-6.2%*	*1,212,676*	*1,265,731*	*4.4%*
Transborder	AC Family	9,448	11,456	21.3%	737,662	840,124	13.9%
	Other Domestic	164	232	41.5%	26,804	44,840	67.3%
	US Carriers	7,310	8,420	15.2%	616,780	682,150	10.6%
	Overseas Carrier	120	132	10.0%	36,630	39,296	7.3%
	TOTAL	*17,042*	*20,240*	*18.8%*	*1,417,876*	*1,606,410*	*13.3%*
Other International	AC Family	1,282	1,502	17.2%	248,368	288,170	16.0%
	Other Domestic[2]	38	250	N/A	47,088	97,120	N/A
	Overseas Carrier	648	798	23.1%	194,462	212,578	9.3%
	TOTAL	*1,968*	*2,550*	*29.6%*	*489,918*	*597,868*	*22.0%*
Asia-Pacific	AC Family	86	212	146.5%	22,704	54,480	140.0%
	Overseas Carriers	34	0	-100.0%	11,152	0	-100.0%
	TOTAL	*120*	*212*	*76.7%*	*33,856*	*54,480*	*60.9%*
Europe	AC Family	822	858	4.4%	167,262	172,370	3.1%
	Other Domestic[2]	38	250	N/A	47,088	97,120	N/A
	Overseas Carriers	460	506	10.0%	155,680	160,982	3.4%
	TOTAL	*1,320*	*1,614*	*22.3%*	*370,030*	*430,432*	*16.3%*
Misc. International	AC Family	374	432	15.5%	58,402	61,320	5.0%
	Overseas Carriers	154	292	89.6%	27,630	51,616	86.8%
	TOTAL	*528*	*724*	*37.1%*	*86,032*	*112,936*	*31.3%*

Notes:

*The provincial allocations must only be analysed in conjunction with the "Canada Total Air Service Capacity." See point 3 of Appendix C.

Source: Official Airline Guide OAG-MAX August 1999 and June 2000 data disks.

1 "Other Domestic" denotes other Canadian airlines.

2 N/A - "Other Domestic" carriers cannot be calculated due to incomplete 1999 and 2000 data available for Royal Airlines, Air Transat and foreign charter carriers. (Canada 3000 international data obtained from flight

3 Caution: Frequency and capacity data totals do not include all charter operations by Royal Airlines, Air Transat and foreign charter carriers.

4 See notes to Air Capacity Tables in Appendix C for additional discussion on methodology, limitations and

QUEBEC ALLOCATION OF TOTAL AIR SERVICE CAPACITY

(includes all non-stop inbound/outbound intra-provincial, transborder and international frequencies and seats and all inbound inter-provincial frequencies and August 1999 versus August 2000

By Carrier Group:

		Quebec					
		Frequency			Seat Capacity		
		Aug-99	Aug-00	% chang	Aug-99	Aug-00	% change
AC Family Carriers	Domestic	8,481	6,198	-26.9%	418,405	348,998	-16.6%
	Transborder	1,794	2,384	32.9%	128,034	180,384	40.9%
	Asia-Pacific	0	0	-	0	0	-
	Europe	218	222	1.8%	51,306	57,540	12.2%
	Other Internation	46	50	8.7%	5,932	7,490	26.3%
	Total	*10,539*	*8,854*	*-16.0%*	*603,677*	*594,412*	*-1.5%*
Other Domestic Carriers	*Total*	*2,720*	*3,256*	N/A	*105,980*	*170,487*	N/A
US Carriers	*Total*	*3,108*	*3,220*	*3.6%*	*256,940*	*268,996*	*4.7%*
Other International Carr	*Total*	*632*	*610*	*-3.5%*	*202,054*	*182,164*	*-9.8%*
Asia-Pacific Carriers		0	0	-	0	0	-
European Carriers		506	480	-5.1%	157,516	138,616	-12.0%
Misc. International Carriers		126	130	3.2%	44,538	43,548	-2.2%
Total Non-Domestic Carriers	*Total*	*3,740*	*3,830*	*2.4%*	*458,994*	*451,160*	*-1.7%*

By Sector:

		Quebec					
		Frequency			Seat Capacity		
		Aug-99	Aug-00	% chang	Aug-99	Aug-00	% change
Domestic	AC Family	8,481	6,198	-26.9%	418,405	348,998	-16.6%
	Other Domestic	2,630	3,060	16.3%	66,018	101,375	53.6%
	TOTAL	*11,111*	*9,258*	*-16.7%*	*484,423*	*450,373*	*-7.0%*
Transborder	AC Family	1,794	2,384	32.9%	128,034	180,384	40.9%
	Other Domestic	28	56	100.0%	4,986	11,728	135.2%
	US Carriers	3,108	3,220	3.6%	256,940	268,996	4.7%
	Overseas Carrier	80	98	22.5%	31,346	39,522	26.1%
	TOTAL	*5,010*	*5,758*	*14.9%*	*421,306*	*500,630*	*18.8%*
Other International	AC Family	264	272	3.0%	57,238	65,030	13.6%
	Other Domestic[2]	62	140	N/A	34,976	57,384	N/A
	Overseas Carrier	552	512	-7.2%	170,708	142,642	-16.4%
	TOTAL	*878*	*924*	*5.2%*	*262,922*	*265,056*	*0.8%*
Asia-Pacific	AC Family	0	0	-	0	0	-
	Overseas Carriers	0	0	-	0	0	-
	TOTAL	*0*	*0*	-	*0*	*0*	-
Europe	AC Family	218	222	1.8%	51,306	57,540	12.2%
	Other Domestic*	62	140	N/A	34,976	57,384	N/A
	Overseas Carriers	490	462	-5.7%	154,172	134,854	-12.5%
	TOTAL	*770*	*824*	*7.0%*	*240,454*	*249,778*	*3.9%*
Misc. International	AC Family	46	50	8.7%	5,932	7,490	26.3%
	Overseas Carriers	62	50	-19.4%	16,536	7,788	-52.9%
	TOTAL	*108*	*100*	*-7.4%*	*22,468*	*15,278*	*-32.0%*

Notes:

*The provincial allocations must only be analysed in conjunction with the "Canada Total Air Service Capacity." See point 3 of Appendix C.

Source: Official Airline Guide OAG-MAX August 1999 and June 2000 data disks.

1 "Other Domestic" denotes other Canadian airlines.

2 N/A - "Other Domestic" carriers cannot be calculated due to incomplete 1999 and 2000 data available for Royal Airlines, Air Transat and foreign charter carriers. (Canada 3000 international data obtained from flight

3 Caution: Frequency and capacity data totals do not include all charter operations by Royal Airlines, Air Transat and foreign charter carriers.

4 See notes to Air Capacity Tables in Appendix C for additional discussion on methodology, limitations and

NEW BRUNSWICK ALLOCATION OF TOTAL AIR SERVICE CAPACITY

(Includes all non-stop inbound/outbound intra-provincial, transborder and international frequencies and seats and all inbound inter-provincial frequencies and August 1999 versus August 2000

By Carrier Group:

		New Brunswick					
		Aug-99	Aug-00	% change	Aug-99	Aug-00	% change
AC Family Carriers	Domestic	2,423	1,731	-28.6%	98,253	72,516	-26.2%
	Transborder	0	0	-	0	0	-
	Asia-Pacific	0	0	-	0	0	-
	Europe	0	0	-	0	0	-
	Other Internatior	18	18	0.0%	792	792	0.0%
	Total	*2,441*	*1,749*	*-28.3%*	*99,045*	*73,308*	*-26.0%*
Other Domestic Carriers	*Total*	*38*	*60*	N/A	*15,110*	*9,458*	N/A
US Carriers	*Total*	*0*	*0*	-	*0*	*0*	-
Other International Carri	*Total*	*0*	*0*	-	*0*	*0*	-
Asia-Pacific Carriers		0	0	-	0	0	-
European Carriers		0	0	-	0	0	-
Misc. International Carriers		0	0	-	0	0	-
Total Non-Domestic Carriers	*Total*	*0*	*0*	-	*0*	*0*	-

By Sector:

		New Brunswick					
		Aug-99	Aug-00	% change	Aug-99	Aug-00	% change
Domestic	AC Family	2,423	1,731	-28.6%	98,253	72,516	-26.2%
	Other Domestic	28	58	107.1%	4,714	7,650	62.3%
	TOTAL	*2,451*	*1,789*	*-27.0%*	*102,967*	*80,166*	*-22.1%*
Transborder	AC Family	0	0	-	0	0	-
	Other Domestic	0	0	-	0	0	-
	US Carriers	0	0	-	0	0	-
	Overseas Carrie	0	0	-	0	0	-
	TOTAL	*0*	*0*	-	*0*	*0*	-
Other International	AC Family	18	18	0.0%	792	792	0.0%
	Other Domestic[2]	10	2	N/A	10,396	1,808	N/A
	Overseas Carrie	0	0	-	0	0	-
	TOTAL	*28*	*20*	*-28.6%*	*11,188*	*2,600*	*-76.8%*
Asia-Pacific	AC Family	0	0	-	0	0	-
	Overseas Carriers	0	0	-	0	0	-
	TOTAL	*0*	*0*	-	*0*	*0*	-
Europe	AC Family	0	0	-	0	0	-
	Other Domestic[2]	10	2	N/A	10,396	1,808	N/A
	Overseas Carriers	0	0	-	0	0	-
	TOTAL	*10*	*2*	-	*10,396*	*1,808*	-
Misc. International	AC Family	18	18	0.0%	792	792	0.0%
	Overseas Carriers	0	0	-	0	0	-
	TOTAL	*18*	*18*	*0.0%*	*792*	*792*	*0.0%*

Notes:

*The provincial allocations must only be analysed in conjunction with the "Canada Total Air Service Capacity." See point 3 of Appendix C.

Source: Official Airline Guide OAG-MAX August 1999 and June 2000 data disks.

1 "Other Domestic" denotes other Canadian airlines.

2 N/A - "Other Domestic" carriers cannot be calculated due to incomplete 1999 and 2000 data available for Royal Airlines, Air Transat and foreign charter carriers. (Canada 3000 international data obtained from flight

3 Caution: Frequency and capacity data totals do not include all charter operations by Royal Airlines, Air Transat and foreign charter carriers.

4 See notes to Air Capacity Tables in Appendix C for additional discussion on methodology, limitations and

NOVA SCOTIA ALLOCATION OF TOTAL AIR SERVICE CAPACITY

(Includes all non-stop inbound/outbound intra-provincial, transborder and international frequencies and seats and all inbound inter-provincial frequencies and August 1999 versus August 2000

By Carrier Group:

		Nova Scotia					
		Aug-99	Aug-00	% chang	Aug-99	Aug-00	% change
AC Family Carriers	Domestic	3,470	2,450	-29.4%	202,230	178,600	-11.7%
	Transborder	408	612	50.0%	20,244	28,286	39.7%
	Asia-Pacific	0	0	-	0	0	-
	Europe	44	28	-36.4%	7,836	5,880	-25.0%
	Other Internation	62	62	0.0%	3,272	3,432	4.9%
	Total	*3,984*	*3,152*	*-20.9%*	*233,582*	*218,198*	*-7.4%*
Other Domestic Carriers	*Total*	*88*	*135*	N/A	*25,623*	*44,402*	N/A
US Carriers	*Total*	*434*	*496*	*14.3%*	*20,770*	*25,544*	*23.0%*
Other International Carr	*Total*	*26*	*28*	*7.7%*	*3,822*	*5,292*	*38.5%*
Asia-Pacific Carriers		0	0	-	0	0	-
European Carriers		26	28	7.7%	3,822	5,292	38.5%
Misc. International Carriers		0	0	-	0	0	-
Total Non-Domestic Carriers	*Total*	*460*	*524*	*13.9%*	*24,592*	*30,836*	*25.4%*

By Sector:

		Nova Scotia					
		Aug-99	Aug-00	% chang	Aug-99	Aug-00	% change
Domestic	AC Family	3,470	2,450	-29.4%	202,230	178,600	-11.7%
	Other Domestic	78	105	34.6%	14,307	23,390	63.5%
	TOTAL	*3,548*	*2,555*	*-28.0%*	*216,537*	*201,990*	*-6.7%*
Transborder	AC Family	408	612	50.0%	20,244	28,286	39.7%
	Other Domestic	0	0	-	0	0	-
	US Carriers	434	496	14.3%	20,770	25,544	23.0%
	Overseas Carrie	0	0	-	0	0	-
	TOTAL	*842*	*1,108*	*31.6%*	*41,014*	*53,830*	*31.2%*
Other International	AC Family[3]	106	90	-15.1%	11,108	9,312	-16.2%
	Other Domestic[2]	10	30	N/A	11,316	21,012	N/A
	Overseas Carrie	26	28	7.7%	3,822	5,292	38.5%
	TOTAL[5]	*142*	*148*	*4.2%*	*26,246*	*35,616*	*35.7%*
Asia-Pacific	AC Family	0	0	-	0	0	-
	Overseas Carriers	0	0	-	0	0	-
	TOTAL	*0*	*0*	-	*0*	*0*	-
Europe	AC Family[4]	44	28	-36.4%	7,836	5,880	-25.0%
	Other Domestic[1]	10	30	N/A	11,316	21,012	N/A
	Overseas Carriers	26	28	7.7%	3,822	5,292	38.5%
	TOTAL[5]	*80*	*86*	*7.5%*	*22,974*	*32,184*	*40.1%*
Misc. International	AC Family	62	62	0.0%	3,272	3,432	4.9%
	Overseas Carriers	0	0	-	0	0	-
	TOTAL	*62*	*62*	*0.0%*	*3,272*	*3,432*	*4.9%*

Notes:

*The provincial allocations must only be analysed in conjunction with the "Canada Total Air Service Capacity." See point 3 of Appendix C.

Source: Official Airline Guide OAG-MAX August 1999 and June 2000 data disks.

1 "Other Domestic" denotes other Canadian airlines.

2 N/A - "Other Domestic" carriers cannot be calculated due to incomplete 1999 and 2000 data available for Royal Airlines, Air Transat and foreign charter carriers. (Canada 3000 international data obtained from flight

3 Caution: Frequency and capacity data totals do not include all charter operations by Royal Airlines, Air Transat and foreign charter carriers.

4 See notes to Air Capacity Tables in Appendix C for additional discussion on methodology, limitations and

5 Caution: The negative % changes for AC Family "Other International" and "Europe" flight frequencies and seat capacities are overstated due to additional Halifax-London flights operated in August 1999 to compensate for runway repairs in St. Johns. During August 1999, some St. Johns-London flight frequencies were transferred to Halifax-London routings. Without the transferred flights, there would have likely been minimal

NEW BRUNSWICK ALLOCATION OF TOTAL AIR SERVICE CAPACITY

(includes all non-stop inbound/outbound intra-provincial, transborder and international frequencies and seats and all inbound inter-provincial frequencies and August 1999 versus August 2000

By Carrier Group:		New Brunswick					
		Frequency			Seat Capacity		
		Aug-99	Aug-00	% change	Aug-99	Aug-00	% change
AC Family Carriers	Domestic	2,423	1,731	-28.6%	98,253	72,516	-26.2%
	Transborder	0	0	-	0	0	-
	Asia-Pacific	0	0	-	0	0	-
	Europe	0	0	-	0	0	-
	Other International	18	18	0.0%	792	792	0.0%
	Total	2,441	1,749	-28.3%	99,045	73,308	-26.0%
Other Domestic Carriers	Total	38	60	N.A.	15,110	9,458	N.A.
US Carriers	Total	0	0	-	0	0	-
Other International Carri	Total	0	0	-	0	0	-
Asia-Pacific Carriers							
European Carriers							
Misc. International Carriers							
Total Non-Domestic Carriers	Total	0	0	-	0	0	-
TOTAL		**2,479**	**1,809**	**-27.0%**	**114,155**	**82,766**	**-27.5%**

By Sector:		New Brunswick					
		Frequency			Seat Capacity		
		Aug-99	Aug-00	% change	Aug-99	Aug-00	% change
Domestic	AC Family	2,423	1,731	-28.6%	98,253	72,516	-26.2%
	Other Domestic	28	58	107.1%	4,714	7,650	62.3%
	TOTAL	2,451	1,789	-27.0%	102,967	80,166	-22.1%
Transborder	AC Family	0	0	-	0	0	-
	Other Domestic	0	0	-	0	0	-
	US Carriers	0	0	-	0	0	-
	Overseas Carrie	0	0	-	0	0	-
	TOTAL	0	0	-	0	0	-
Other International	AC Family	18	18	0.0%	792	792	0.0%
	Other Domestic	10	2	N.A.	10,396	1,808	N.A.
	Overseas Carrie	0	0	-	0	0	-
	TOTAL	28	20	-28.6%	11,188	2,600	-76.8%
Asia-Pacific	AC Family						
	Overseas Carriers						
	TOTAL						
Europe	AC Family						
	Other Domestic	1	0	N.A.	1,714	0	N.A.
	Overseas Carriers						
	TOTAL	1	0	-	1,714	0	-
Misc. International	AC Family	18	18	0.0%	792	792	0.0%
	Overseas Carriers						
	TOTAL	18	18	0.0%	792	792	0.0%
TOTAL[3]		**2,479**	**1,809**	**-27.0%**	**114,155**	**82,766**	**-27.5%**

Notes:

*The provincial allocations must only be analysed in conjunction with the "Canada Total Air Service Capacity." See point 3 of Appendix C.

Source: Official Airline Guide OAG-MAX August 1999 and June 2000 data disks.

1 "Other Domestic" denotes other Canadian airlines.

2 N.A. - "Other Domestic" carriers cannot be calculated due to incomplete 1999 and 2000 data available for Royal Airlines, Air Transat and foreign charter carriers. (Canada 3000 international data obtained from flight).

3 Caution: Frequency and capacity data totals do not include all charter operations by Royal Airlines, Air Transat and foreign charter carriers.

4 See notes to Air Capacity Tables in Appendix C for additional discussion on methodology, limitations and

NOVA SCOTIA ALLOCATION OF TOTAL AIR SERVICE CAPACITY

(includes all non-stop inbound/outbound intra-provincial, transborder and international frequencies and seats and all inbound inter-provincial frequencies and August 1999 versus August 2000

By Carrier Group		Nova Scotia					
		Frequency			Seat Capacity		
		Aug-99	Aug-00	Change	Aug-99	Aug-00	Change
AC Family Carriers	Domestic	3,471	2,[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	Transborder	408	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	Asia-Pacific	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	Europe	44	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	Other International	62	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	Total	3,984	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Other Domestic Carriers	Total	88	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
US Carriers	Total	434	4[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Other International Carri	Total	26	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Asia-Pacific Carriers		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
European Carriers		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Misc. International Carriers		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total Non-Domestic Carriers	Total	48	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
TOTAL		**4,532**	**3,811**	**-15.9%**	**283,797**	**291,436**	**2.7%**

By Sector		Nova Scotia					
		Frequency			Seat Capacity		
		Aug-99	Aug-00	Change	Aug-99	Aug-00	Change
Domestic	AC Family	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	Other Domestic	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	TOTAL	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Transborder	AC Family	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	Other Domestic	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	US Carriers	434	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	Overseas Carrier	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	TOTAL	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Other International	AC Family	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	Other Domestic	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	Overseas Carrier	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	TOTAL	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Asia-Pacific	AC Family	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	Other Domestic	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	Overseas Carrier	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	TOTAL	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Europe	AC Family	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	Other Domestic	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	Overseas Carrier	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	TOTAL	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Misc. International	AC Family	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	Overseas Carrier	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	TOTAL	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
TOTAL[3]		**4,532**	**3,811**	**-15.9%**	**283,797**	**291,436**	**2.7%**

Notes

[illegible] The provincial allocations must only be analysed in conjunction with the Canada Total Air Service Capacity. See point 3 of Appendix C.

Source: Official Airline Guide (OAG-MAX August 1999 and June 2000 data disks).

"Other Domestic" denotes other Canadian airlines.

N.A. "Other Domestic" carriers cannot be calculated due to incomplete 1999 and 2000 data available for Royal Airlines, Air Transat and foreign charter carriers. (Canada 3000 international data obtained from flight

Caution: Frequency and capacity data totals do not include air charter operations by Royal Airlines, Air Transat and foreign charter carriers.

See notes to Air Capacity Tables in Appendix C for additional discussion on methodology, limitations and

Caution: The negative % changes for AC Family, Other International and Europe. Flight frequencies and seat capacities are overstated due to additional Halifax-London flights operated in August 2000 to compensate for runway repairs in St. John's. During August 1999, some St. John's-London flight frequencies were transferred to Halifax-London routings. Without the transferred flights, there would have been less

PRINCE EDWARD ISLAND ALLOCATION OF TOTAL AIR SERVICE

(includes all non-stop inbound/outbound intra-provincial, transborder and international frequencies and seats and all inbound inter-provincial frequencies and August 1999 versus August 2000

By Carrier Group		Prince Edward Island					
		Frequency			Seat Capacity		
		Aug-99	Aug-00	% change	Aug-99	Aug-00	% change
AC Family Carriers	Domestic	455	248	-45.5%	19,218	14,581	-24.1%
	Transborder	0	0	-	0	0	-
	Asia-Pacific	0	0	-	0	0	-
	Europe	0	0	-	0	0	-
	Other International	0	0	-	0	0	-
	Total	455	248	-45.5%	19,218	14,581	-24.1%
Other Domestic Carriers	Total	8	8	N.A.	1,864	1,864	N.A.
US Carriers	Total	0	0	-	0	0	-
Other International Carr	Total	0	0	-	0	0	-
Asia-Pacific Carriers							
European Carriers							
Misc. International Carriers							
Total Non-Domestic Carriers	Total	0	0	-	0	0	-
TOTAL		**463**	**256**	**-44.7%**	**21,082**	**16,445**	**-22.0%**

By Sector		Prince Edward Island					
		Frequency			Seat Capacity		
		Aug-99	Aug-00	% change	Aug-99	Aug-00	% change
Domestic	AC Family	455	248	-45.5%	19,218	14,581	-24.1%
	Other Domestic	8	8	0.0%	1,864	1,864	0.0%
	TOTAL	463	256	-44.7%	21,082	16,445	-22.0%
Transborder	AC Family	0	0	-	0	0	-
	Other Domestic	0	0	-	0	0	-
	US Carriers	0	0	-	0	0	-
	Overseas Carrier	0	0	-	0	0	-
	TOTAL	0	0	-	0	0	-
Other International	AC Family	0	0	-	0	0	-
	Other Domestic	0	0	-	0	0	-
	Overseas Carrier	0	0	-	0	0	-
	TOTAL	0	0	-	0	0	-
Asia-Pacific	AC Family						
	Overseas Carriers						
	TOTAL						
Europe	AC Family						
	Other Domestic						
	Overseas Carriers						
	TOTAL						
Misc. International	AC Family						
	Overseas Carriers						
	TOTAL						
TOTAL[3]		**463**	**256**	**-44.7%**	**21,082**	**16,445**	**-22.0%**

Notes

[1] This provincial allocations must only be analysed in conjunction with the "Canada Total Air Service Capacity," see point 3 of Appendix C.

Source: Official Airline Guide OAG-MAX August 1999 and June 2000 data disks.

[3] "Other Domestic" denotes other Canadian airlines.

N.A. "Other Domestic" carriers cannot be calculated due to incomplete 1999 and 2000 data available for Royal Airlines, Air Transat and foreign charter carriers. (Canada 3000 international data obtained from flight evaluation). Frequency and capacity data totals do not include all charter operations by Royal Airlines, Air Transat and foreign charter carriers.

See notes to Air Capacity Tables in Appendix C for additional discussion on methodology, limitations and

NEWFOUNDLAND ALLOCATION OF TOTAL AIR SERVICE CAPACITY

(includes all non-stop inbound/outbound intra-provincial, transborder and international frequencies and seats and all inbound inter-provincial frequencies and August 1999 versus August 2000

By Carrier Group:		Newfoundland					
		Frequency			Seat Capacity		
		Aug-99	Aug-00	% change	Aug-99	Aug-00	% change
AC Family Carriers	Domestic	2,323	1,941	-16.5%	100,448	87,308	-13.1%
	Transborder	0	0		0	0	
	Asia-Pacific	0	0		0	0	
	Europe	18	34	88.9%	1,746	3,444	97.3%
	Other International	26	26	0.0%	1,144	1,144	0.0%
	Total	2,367	2,001	-15.5%	103,338	91,896	-11.1%
Other Domestic Carriers	Total	1,295	1,169	-9.7%	37,734	49,856	32.1%
US Carriers	Total	0	0		0	0	
Other International Carri	Total	0	0		0	0	
Asia-Pacific Carriers							
European Carriers							
Misc. International Carriers							
Total Non-Domestic Carriers	Total	0	0		0	0	
TOTAL		**3,662**	**3,170**	**-13.4%**	**135,072**	**141,752**	**4.9%**

By Sector		Newfoundland					
		Frequency			Seat Capacity		
		Aug-99	Aug-00	% change	Aug-99	Aug-00	% change
Domestic	AC Family	2,323	1,941	-16.5%	100,448	87,308	-13.1%
	Other Domestic	1,295	1,169	-9.7%	37,734	49,856	32.1%
	TOTAL	3,618	3,110	-14.0%	138,182	137,164	-0.7%
Transborder	AC Family	0	0		0	0	
	Other Domestic	0	0		0	0	
	US Carriers	0	0		0	0	
	Overseas Carriers	0	0		0	0	
	TOTAL	0	0		0	0	
Other International	AC Family	44	60	36.4%	2,890	4,588	58.8%
	Other Domestic	0	0	N/A	0	0	N/A
	Overseas Carriers	0	0		0	0	
	TOTAL	44	60	36.4%	2,890	4,588	58.8%
Asia-Pacific	AC Family	0	0		0	0	
	Overseas Carriers	0	0		0	0	
	TOTAL	0	0		0	0	
Europe	AC Family	18	34	88.9%	1,746	3,444	97.3%
	Other Domestic	0	0	N/A	0	0	N/A
	Overseas Carriers	0	0		0	0	
	TOTAL	18	34	88.9%	1,746	3,444	97.3%
Misc. International	AC Family	26	26		1,144	1,144	
	Overseas Carriers	0	0		0	0	
	TOTAL	26	26		1,144	1,144	
TOTAL[3]		**3,662**	**3,170**	**-13.4%**	**135,072**	**141,752**	**4.9%**

Notes

*This provincial allocations must only be analysed in conjunction with the "Canada Total Air Service Capacity" See point 3 of Appendix C

Source: Official Airline Guide OAG-MAX August 1999 and June 2000 data disks

1 "Other Domestic" denotes other Canadian airlines

2 N.A. - "Other Domestic" carriers cannot be calculated due to incomplete 1999 and 2000 data availability for Royal Airlines, Air Transat and foreign charter carriers. (Canada 3000 international data obtained from flight

3 Caution: Frequency and capacity data totals do not include all charter operations by Royal Airlines, Air Transat and foreign charter carriers.

4 See notes to Air Capacity Tables in Appendix C for additional discussion on methodology, limitations and

5 Caution: % changes for AC Family, Other International and Europe flight frequencies and seat capacities are overstated due to runway repairs in St. John's during August 1999. During August 1999, some Newfoundland-London flight frequencies were transferred to Halifax-London routings. Without the transferred flights, there would have likely been no change in Newfoundland-London frequencies and a small increase in

PRINCE EDWARD ISLAND ALLOCATION OF TOTAL AIR SERVICE

(Includes all non-stop inbound/outbound intra-provincial, transborder and international frequencies and seats and all inbound inter-provincial frequencies and August 1999 versus August 2000

By Carrier Group:

		Prince Edward Island					
		Frequency			Seat Capacity		
		Aug-99	Aug-00	% chang	Aug-99	Aug-00	% change
AC Family Carriers	Domestic	455	248	-45.5%	19,218	14,581	-24.1%
	Transborder	0	0	-	0	0	-
	Asia-Pacific	0	0	-	0	0	-
	Europe	0	0	-	0	0	-
	Other Internation	0	0	-	0	0	-
	Total	*455*	*248*	*-45.5%*	*19,218*	*14,581*	*-24.1%*
Other Domestic Carriers	*Total*	*8*	*8*	N/A	*1,864*	*1,864*	N/A
US Carriers	*Total*	*0*	*0*	-	*0*	*0*	-
Other International Carr	*Total*	*0*	*0*	-	*0*	*0*	-
Asia-Pacific Carriers		0	0	-	0	0	-
European Carriers		0	0	-	0	0	-
Misc. International Carriers		0	0	-	0	0	-
Total Non-Domestic Carriers	*Total*	*0*	*0*	-	*0*	*0*	-

By Sector:

		Prince Edward Island					
		Frequency			Seat Capacity		
		Aug-99	Aug-00	% chang	Aug-99	Aug-00	% change
Domestic	AC Family	455	248	-45.5%	19,218	14,581	-24.1%
	Other Domestic	8	8	0.0%	1,864	1,864	0.0%
	TOTAL	*463*	*256*	*-44.7%*	*21,082*	*16,445*	*-22.0%*
Transborder	AC Family	0	0	-	0	0	-
	Other Domestic	0	0	-	0	0	-
	US Carriers	0	0	-	0	0	-
	Overseas Carrier	0	0	-	0	0	-
	TOTAL	*0*	*0*	-	*0*	*0*	-
Other International	AC Family	0	0	-	0	0	-
	Other Domestic[2]	0	0	-	0	0	-
	Overseas Carrier	0	0	-	0	0	-
	TOTAL	*0*	*0*	-	*0*	*0*	-
Asia-Pacific	AC Family	0	0	-	0	0	-
	Overseas Carriers	0	0	-	0	0	-
	TOTAL	*0*	*0*	-	*0*	*0*	-
Europe	AC Family	0	0	-	0	0	-
	Other Domestic[1]	0	0	-	0	0	-
	Overseas Carriers	0	0	-	0	0	-
	TOTAL	*0*	*0*	-	*0*	*0*	-
Misc. International	AC Family	0	0	-	0	0	-
	Overseas Carriers	0	0	-	0	0	-
	TOTAL	*0*	*0*	-	*0*	*0*	-

Notes:

*The provincial allocations must only be analysed in conjunction with the "Canada Total Air Service Capacity." See point 3 of Appendix C.

Source: Official Airline Guide OAG-MAX August 1999 and June 2000 data disks.

1 "Other Domestic" denotes other Canadian airlines.

2 N/A - "Other Domestic" carriers cannot be calculated due to incomplete 1999 and 2000 data available for Royal Airlines, Air Transat and foreign charter carriers. (Canada 3000 international data obtained from flight

3 Caution: Frequency and capacity data totals do not include all charter operations by Royal Airlines, Air Transat and foreign charter carriers.

4 See notes to Air Capacity Tables in Appendix C for additional discussion on methodology, limitations and

NEWFOUNDLAND ALLOCATION OF TOTAL AIR SERVICE CAPACITY

(includes all non-stop inbound/outbound intra-provincial, transborder and international frequencies and seats and all inbound inter-provincial frequencies and August 1999 versus August 2000

By Carrier Group:		Newfoundland					
		Frequency			Seat Capacity		
		Aug-99	Aug-00	% chang	Aug-99	Aug-00	% change
AC Family Carriers	Domestic	2,323	1,641	-29.4%	100,998	90,947	-10.0%
	Transborder	0	0	-	0	0	-
	Asia-Pacific	0	0	-	0	0	-
	Europe	18	34	88.9%	3,186	7,140	124.1%
	Other Internation	26	26	0.0%	1,144	1,144	0.0%
	Total	*2,367*	*1,701*	*-28.1%*	*105,328*	*99,231*	*-5.8%*
Other Domestic Carriers	*Total*	*1,295*	*1,469*	N/A	*29,744*	*42,521*	N/A
US Carriers	*Total*	*0*	*0*	-	*0*	*0*	-
Other International Carr	*Total*	*0*	*0*	-	*0*	*0*	-
Asia-Pacific Carriers		0	0	-	0	0	-
European Carriers		0	0	-	0	0	-
Misc. International Carriers		0	0	-	0	0	-
Total Non-Domestic Carriers	*Total*	*0*	*0*	-	*0*	*0*	-

By Sector:		Newfoundland					
		Frequency			Seat Capacity		
		Aug-99	Aug-00	% chang	Aug-99	Aug-00	% change
Domestic	AC Family	2,323	1,641	-29.4%	100,998	90,947	-10.0%
	Other Domestic	1,295	1,469	13.4%	29,744	42,521	43.0%
	TOTAL	*3,618*	*3,110*	*-14.0%*	*130,742*	*133,468*	*2.1%*
Transborder	AC Family	0	0	-	0	0	-
	Other Domestic	0	0	-	0	0	-
	US Carriers	0	0	-	0	0	-
	Overseas Carrie	0	0	-	0	0	-
	TOTAL	*0*	*0*	-	*0*	*0*	-
Other International	AC Family[3]	44	60	36.4%	4,330	8,284	91.3%
	Other Domestic[2]	0	0	N/A	0	0	N/A
	Overseas Carrie	0	0	-	0	0	-
	TOTAL[5]	*44*	*60*	*36.4%*	*4,330*	*8,284*	*91.3%*
Asia-Pacific	AC Family	0	0	-	0	0	-
	Overseas Carriers	0	0	-	0	0	-
	TOTAL	*0*	*0*	-	*0*	*0*	-
Europe	AC Family[4]	18	34	88.9%	3,186	7,140	124.1%
	Other Domestic[4]	0	0	N/A	0	0	N/A
	Overseas Carriers	0	0	-	0	0	-
	TOTAL[4]	*18*	*34*	*88.9%*	*3,186*	*7,140*	*124.1%*
Misc. International	AC Family	26	26	0.0%	1,144	1,144	0.0%
	Overseas Carriers	0	0	-	0	0	-
	TOTAL	*26*	*26*	*0.0%*	*1,144*	*1,144*	*0.0%*

Notes:

*The provincial allocations must only be analysed in conjunction with the "Canada Total Air Service Capacity." See point 3 of Appendix C.

Source: Official Airline Guide OAG-MAX August 1999 and June 2000 data disks.

1 "Other Domestic" denotes other Canadian airlines.

2 N/A - "Other Domestic" carriers cannot be calculated due to incomplete 1999 and 2000 data available for Royal Airlines, Air Transat and foreign charter carriers. (Canada 3000 international data obtained from flight

3 Caution: Frequency and capacity data totals do not include all charter operations by Royal Airlines, Air Transat and foreign charter carriers.

4 See notes to Air Capacity Tables in Appendix C for additional discussion on methodology, limitations and

5 Caution: % changes for AC Family "Other International" and "Europe" flight frequencies and seat capacities are overstated due to runway repairs in St. Johns during August 1999. During August 1999, some Newfoundland-London flight frequencies were transferred to Halifax-London routings. Without the transferred flights, there would have likely been no change in Newfoundland-London frequencies and a small increase is

YUKON ALLOCATION OF TOTAL AIR SERVICE CAPACITY

(includes all non-stop inbound/outbound intra-provincial, transborder and international frequencies and seats and all inbound inter-provincial frequencies and August 1999 versus August 2000

By Carrier Group:

		Yukon Territory					
		Frequency			Seat Capacity		
		Aug-99	Aug-00	% chang	Aug-99	Aug-00	% change
AC Family Carriers	Domestic	89	89	0.0%	8,900	8,900	0.0%
	Transborder	0	0	-	0	0	-
	Asia-Pacific	0	0	-	0	0	-
	Europe	0	0	-	0	0	-
	Other Internation	0	0	-	0	0	-
	Total	*89*	*89*	*0.0%*	*8,900*	*8,900*	*0.0%*
Other Domestic Carriers	*Total*	*186*	*192*	N/A	*8,196*	*10,614*	N/A
US Carriers	*Total*	*34*	*34*	*0.0%*	*1,700*	*1,700*	*0.0%*
Other International Carr	*Total*	*8*	*10*	*25.0%*	*1,680*	*2,690*	*60.1%*
Asia-Pacific Carriers		0	0	-	0	0	-
European Carriers		8	10	25.0%	1,680	2,690	60.1%
Misc. International Carriers		0	0	-	0	0	-
Total Non-Domestic Carriers	*Total*	*42*	*44*	*4.8%*	*3,380*	*4,390*	*29.9%*

By Sector:

		Yukon Territory					
		[illegible]			[illegible]		
		Aug-99	Aug-00	% chang	Aug-99	Aug-00	% change
Domestic	AC Family	89	89	0.0%	8,900	8,900	0.0%
	Other Domestic	132	128	-3.0%	6,764	6,092	-9.9%
	TOTAL	*221*	*217*	*-1.8%*	*15,664*	*14,992*	*-4.3%*
Transborder	AC Family	0	0	#DIV/0!	0	0	#DIV/0!
	Other Domestic	54	54	-	1,432	1,432	-
	US Carriers	34	34	0.0%	1,700	1,700	0.0%
	Overseas Carrier	0	0	-	0	0	-
	TOTAL	*88*	*88*	*0.0%*	*3,132*	*3,132*	*0.0%*
Other International	AC Family	0	0	-	0	0	-
	Other Domestic[2]	0	10	N/A	0	3,090	N/A
	Overseas Carrier	8	10	25.0%	1,680	2,690	60.1%
	TOTAL	*8*	*20*	*150.0%*	*1,680*	*5,780*	*244.0%*
Asia-Pacific	AC Family	0	0	-	0	0	-
	Overseas Carriers	0	0	-	0	0	-
	TOTAL	*0*	*0*	-	*0*	*0*	-
Europe	AC Family	0	0	-	0	0	-
	Other Domestic[2]	0	10	N/A	0	3,090	N/A
	Overseas Carriers	8	10	25.0%	1,680	2,690	60.1%
	TOTAL	*8*	*20*	*150.0%*	*1,680*	*5,780*	*244.0%*
Misc. International	AC Family	0	0	-	0	0	-
	Overseas Carriers	0	0	-	0	0	-
	TOTAL	*0*	*0*	-	*0*	*0*	-

Notes:

"The provincial allocations must only be analysed in conjunction with the "Canada Total Air Service Capacity." See point 3 of Appendix C.

Source: Official Airline Guide OAG-MAX August 1999 and June 2000 data disks.

1 "Other Domestic" denotes other Canadian airlines.

2 N/A - "Other Domestic" carriers cannot be calculated due to incomplete 1999 and 2000 data available for Royal Airlines, Air Transat and foreign charter carriers. (Canada 3000 international data obtained from flight

3 Caution: Frequency and capacity data totals do not include all charter operations by Royal Airlines, Air Transat and foreign charter carriers.

4 See notes to Air Capacity Tables in Appendix C for additional discussion on methodology, limitations and

NORTHWEST TERRITORIES ALLOCATION OF TOTAL AIR SERVICE

(includes all non-stop inbound/outbound intra-provincial, transborder and international frequencies and seats and all inbound inter-provincial frequencies and August 1999 versus August 2000

By Carrier Group:		Northwest Territories					
		Frequency			Seat Capacity		
		Aug-99	Aug-00	% chang	Aug-99	Aug-00	% change
AC Family Carriers	Domestic	226	230	1.8%	21,877	22,209	1.5%
	Transborder	0	0	-	0	0	-
	Asia-Pacific	0	0	-	0	0	-
	Europe	0	0	-	0	0	-
	Other Internation	0	0	-	0	0	-
	Total	*226*	*230*	*1.8%*	*21,877*	*22,209*	*1.5%*
Other Domestic Carriers	*Total*	*1,381*	*1,373*	N/A	*19,734*	*20,362*	N/A
US Carriers	*Total*	*0*	*0*	-	*0*	*0*	-
Other International Carr	*Total*	*0*	*0*	-	*0*	*0*	-
Asia-Pacific Carriers		0	0	-	0	0	-
European Carriers		0	0	-	0	0	-
Misc. International Carriers		0	0	-	0	0	-
Total Non-Domestic Carriers	*Total*	*0*	*0*	-	*0*	*0*	-

By Sector:		Northwest Territories					
		Frequency			Seat Capacity		
		Aug-99	Aug-00	% chang	Aug-99	Aug-00	% change
Domestic	AC Family	226	230	1.8%	21,877	22,209	1.5%
	Other Domestic	1,381	1,373	-0.6%	19,734	20,362	3.2%
	TOTAL	*1,607*	*1,603*	*-0.2%*	*41,611*	*42,571*	*2.3%*
Transborder	AC Family	0	0	-	0	0	-
	Other Domestic	0	0	-	0	0	-
	US Carriers	0	0	-	0	0	-
	Overseas Carrie	0	0	-	0	0	-
	TOTAL	*0*	*0*	-	*0*	*0*	-
Other International	AC Family	0	0	-	0	0	-
	Other Domestic[2]	0	0	-	0	0	-
	Overseas Carrie	0	0	-	0	0	-
	TOTAL	*0*	*0*	-	*0*	*0*	-
Asia-Pacific	AC Family	0	0	-	0	0	-
	Overseas Carriers	0	0	-	0	0	-
	TOTAL	*0*	*0*	-	*0*	*0*	-
Europe	AC Family	0	0	-	0	0	-
	Other Domestic*	0	0	-	0	0	-
	Overseas Carriers	0	0	-	0	0	-
	TOTAL	*0*	*0*	-	*0*	*0*	-
Misc. International	AC Family	0	0	-	0	0	-
	Overseas Carriers	0	0	-	0	0	-
	TOTAL	*0*	*0*	-	*0*	*0*	-

Notes:

*The provincial allocations must only be analysed in conjunction with the "Canada Total Air Service Capacity." See point 3 of Appendix C.

Source: Official Airline Guide OAG-MAX August 1999 and June 2000 data disks.

1 "Other Domestic" denotes other Canadian airlines.

2 N/A - "Other Domestic" carriers cannot be calculated due to incomplete 1999 and 2000 data available for Royal Airlines, Air Transat and foreign charter carriers. (Canada 3000 international data obtained from flight

3 Caution: Frequency and capacity data totals do not include all charter operations by Royal Airlines, Air Transat and foreign charter carriers.

4 See notes to Air Capacity Tables in Appendix C for additional discussion on methodology, limitations and

Intro/Yk/Alloc

YUKON ALLOCATION OF TOTAL AIR SERVICE CAPACITY

(includes all non-stop inbound/outbound intra-provincial, transborder and international frequencies and seats and all inbound inter-provincial frequencies and August 1999 versus August 2000

By Carrier Group		Yukon Territory					
		Frequency			Seat Capacity		
		Aug-99	Aug-00	% change	Aug-99	Aug-00	% change
AC Family Carriers	Domestic	89	89	0.0%	8,900	8,900	0.0%
	Transborder	0	0		0	0	
	Asia-Pacific	0	0		0	0	
	Europe	0	0		0	0	
	Other International	0	0		0	0	
	Total	89	89	0.0%	8,900	8,900	0.0%
Other Domestic Carriers	Total	186	192	N.A.	8,196	10,614	N.A.
US Carriers	Total	34	34	0.0%	1,700	1,700	0.0%
Other International Carr	Total	8	10	25.0%	1,680	2,690	60.1%
Asia-Pacific Carriers							
European Carriers							
Misc. International Carriers							
Total Non-Domestic Carriers	Total	42	44	4.8%	3,380	4,390	29.9%
TOTAL		**317**	**325**	**2.5%**	**20,476**	**23,904**	**16.7%**

By Sector		Yukon Territory					
		Frequency			Seat Capacity		
		Aug-99	Aug-00	% change	Aug-99	Aug-00	% change
Domestic	AC Family	89	89	0.0%	8,900	8,900	0.0%
	Other Domestic	132	128	-3.0%	6,764	6,092	-9.9%
	TOTAL	221	217	-1.8%	15,664	14,992	-4.3%
Transborder	AC Family	0	0	#DIV/0!	0	0	#DIV/0!
	Other Domestic	54	64		1,432	1,432	
	US Carriers	34	34	0.0%	1,700	1,700	0.0%
	Overseas Carrier	0	0		0	0	
	TOTAL	88	98	0.0%	3,132	3,132	0.0%
Other International	AC Family	0	0		0	0	
	Other Domestic	0	1	N.A.	0	1,090	N.A.
	Overseas Carrier	8	10	25.0%	1,680	2,690	60.1%
	TOTAL	8	20	150.0%	1,680	5,780	244.0%
Asia-Pacific	AC Family						
	Overseas Carriers						
	TOTAL						
Europe	AC Family						
	Other Domestic	0	1	N.A.	0	1,090	N.A.
	Overseas Carriers	2	2	0.0%	168	168	0.0%
	TOTAL	2	3	50.0%	168	1,258	648.8%
Misc. International	AC Family						
	Overseas Carriers						
	TOTAL						
TOTAL[3]		**317**	**325**	**2.5%**	**20,476**	**23,904**	**16.7%**

Notes:

*The provincial allocations must only be analysed in conjunction with the "Canada Total Air Service Capacity." See point 3 of Appendix C.

Source: Official Airline Guide OAG-MAX August 1999 and June 2000 data disks.

1 "Other Domestic" denotes other Canadian airlines.

2 N.A. - "Other Domestic" carriers cannot be calculated due to incomplete 1999 and 2000 data available for Royal Airlines, Air Transat and foreign charter carriers. (Canada 3000 international data obtained from flight

3 Caution: Frequency and capacity data totals do not include all charter operations by Royal Airlines, Air Transat and foreign charter carriers.

4 See notes to Air Capacity Tables in Appendix C for additional discussion on methodology, limitations and

NORTHWEST TERRITORIES ALLOCATION OF TOTAL AIR SERVICE

(includes all non-stop inbound/outbound intra-provincial, transborder and international frequencies and seats and all inbound inter-provincial frequencies and August 1999 versus August 2000

By Carrier Group		Northwest Territories					
		Frequency			Seat Capacity		
		Aug'99	Aug'00	Change	Aug'99	Aug'00	Change
AC Family Carriers	Domestic	226	230	1.8%	2,711	2,760	1.8%
	Transborder						
	Asia-Pacific						
	Europe						
	Other International						
	Total	226	230	1.8%	2,711	2,760	1.8%
Other Domestic Carriers	Total	1,381	1,373	-0.6%	38,900	39,811	2.3%
US Carriers	Total						
Other International Carr	Total						
Asia-Pacific Carriers							
European Carriers							
Misc. International Carriers							
Total Non-Domestic Carriers	Total						
TOTAL		**1,607**	**1,603**	**-0.2%**	**41,611**	**42,571**	**2.3%**

By Sector		Northwest Territories					
		Frequency			Seat Capacity		
		Aug'99	Aug'00	Change	Aug'99	Aug'00	Change
Domestic	AC Family	226	230	1.8%	2,711	2,760	1.8%
	Other Domestic	1,381	1,373	-0.6%	38,900	39,811	2.3%
	TOTAL	1,607	1,603	-0.2%	41,611	42,571	2.3%
Transborder	AC Family						
	Other Domestic						
	US Carriers						
	Overseas Carriers						
	TOTAL						
Other International	AC Family						
	Other Domestic						
	Overseas Carriers						
	TOTAL						
Asia-Pacific	AC Family						
	Overseas Carriers						
	TOTAL						
Europe	AC Family						
	Other Domestic						
	Overseas Carriers						
	TOTAL						
Misc. International	AC Family						
	Overseas Carriers						
	TOTAL						
TOTAL[3]		**1,607**	**1,603**	**-0.2%**	**41,611**	**42,571**	**2.3%**

Notes

*The provincial allocations must only be analysed in conjunction with the Canada Total Air Service Capacity. See point 3 of Appendix C.

Source: Official Airline Guide (OAG MAX August 1999 and June 2000 data base).

1 "Other Domestic" denotes other Canadian airlines.

2 As "Other Domestic" carriers cannot be calculated due to incomplete 1999 and 2000 data available for Royal Airlines, Air Transat and foreign charter carriers. Canada 2000 international data obtained from Flight Stats. Caution: frequency and capacity data totals do not include all charter operations by Royal Airlines, Air Transat and foreign charter carriers.

3 See notes to Air Capacity Tables in Appendix C for additional discussion on methodology, limitations and

NUNAVUT ALLOCATION OF TOTAL AIR SERVICE CAPACITY

(includes all non-stop inbound/outbound intra-provincial, transborder and international frequencies and seats and all inbound inter-provincial frequencies and August 1999 versus August 2000

By Carrier Group		Nunavut					
		Frequency			Seat Capacity		
		Aug-99	Aug-00	% change	Aug-99	Aug-00	% change
AC Family Carriers	Domestic	395	367	-7.1%	21,531	19,438	-9.7%
	Transborder	0	0		0	0	
	Asia-Pacific	0	0		0	0	
	Europe	0	0		0	0	
	Other International	0	0		0	0	
	Total	395	367	-7.1%	21,531	19,438	-9.7%
Other Domestic Carriers	Total	1,160	1,320	N.A.	13,464	14,118	N.A.
US Carriers	Total	0	0		0	0	
Other International Carr	Total	0	0		0	0	
Asia-Pacific Carriers							
European Carriers							
Misc. International Carriers							
Total Non-Domestic Carriers	Total	0	0		0	0	
TOTAL		**1,555**	**1,687**	**8.5%**	**34,995**	**33,773**	**-3.5%**

By Sector		Nunavut					
		Frequency			Seat Capacity		
		Aug-99	Aug-00	% change	Aug-99	Aug-00	% change
Domestic	AC Family	395	367	-7.1%	21,531	19,438	-9.7%
	Other Domestic	1,152	1,312	13.9%	13,264	13,435	1.3%
	TOTAL	1,547	1,679	8.5%	34,795	33,573	-3.5%
Transborder	AC Family	0	0		0	0	
	Other Domestic	8	8		200	200	
	US Carriers	0	0		0	0	
	Overseas Carriers	0	0		0	0	
	TOTAL	8	8	0.0%	200	200	0.0%
Other International	AC Family	0	0		0	0	
	Other Domestic	8	8	N.A.	200	200	N.A.
	Overseas Carriers	0	0		0	0	
	TOTAL	8	8	0.0%	200	200	0.0%
Asia-Pacific	AC Family						
	Overseas Carriers						
	TOTAL						
Europe	AC Family						
	Other Domestic	0	0	N.A.	0	0	N.A.
	Overseas Carriers						
	TOTAL	0	0		0	0	
Misc. International	AC Family						
	Overseas Carriers						
	TOTAL						
TOTAL[3]		**1,555**	**1,687**	**8.5%**	**34,995**	**33,773**	**-3.5%**

Notes:

1 The provincial allocations must only be analysed in conjunction with the "Canada Total Air Service Capacity" See point 3 of Appendix C.

Source: Official Airline Guide OAG-MAX August 1999 and June 2000 data bases

1 "Other Domestic" denotes other Canadian airlines.

2 N.A. "Other Domestic" carriers cannot be calculated due to incomplete 1999 and 2000 data available for Royal Airlines, Air Transat and foreign charter carriers. (Canada 3000 international data obtained from flight

3 Caution: Frequency and capacity data totals do not include all charter operations by Royal Airlines, Air Transat and foreign charter carriers.

4 See notes to Air Capacity Tables in Appendix C for additional discussion on methodology, limitations and

NUNAVUT ALLOCATION OF TOTAL AIR SERVICE CAPACITY

(includes all non-stop inbound/outbound intra-provincial, transborder and international frequencies and seats and all inbound inter-provincial frequencies and August 1999 versus August 2000

By Carrier Group:

		Nunavut					
		Frequency			Seat Capacity		
		Aug-99	Aug-00	% chang	Aug-99	Aug-00	% change
AC Family Carriers	Domestic	395	367	-7.1%	21,531	19,635	-8.8%
	Transborder	0	0	-	0	0	-
	Asia-Pacific	0	0	-	0	0	-
	Europe	0	0	-	0	0	-
	Other Internation	0	0	-	0	0	-
	Total	*395*	*367*	*-7.1%*	*21,531*	*19,635*	*-8.8%*
Other Domestic Carriers	*Total*	*1,160*	*1,320*	N/A	*13,464*	*14,138*	N/A
US Carriers	*Total*	*0*	*0*	-	*0*	*0*	-
Other International Carr	*Total*	*0*	*0*	-	*0*	*0*	-
Asia-Pacific Carriers		0	0	-	0	0	-
European Carriers		0	0	-	0	0	-
Misc. International Carriers		0	0	-	0	0	-
Total Non-Domestic Carriers	*Total*	*0*	*0*	-	*0*	*0*	-

By Sector:

		Nunavut					
		Frequency			Seat Capacity		
		Aug-99	Aug-00	% chang	Aug-99	Aug-00	% change
Domestic	AC Family	395	367	-7.1%	21,531	19,635	-8.8%
	Other Domestic	1,152	1,312	13.9%	13,264	13,938	5.1%
	TOTAL	*1,547*	*1,679*	*8.5%*	*34,795*	*33,573*	*-3.5%*
Transborder	AC Family	0	0	-	0	0	-
	Other Domestic	0	0	-	0	0	-
	US Carriers	0	0	-	0	0	-
	Overseas Carrie	0	0	-	0	0	-
	TOTAL	*0*	*0*	-	*0*	*0*	-
Other International	AC Family	0	0	-	0	0	-
	Other Domestic[2]	8	8	N/A	200	200	N/A
	Overseas Carrie	0	0	-	0	0	-
	TOTAL	*8*	*8*	*0.0%*	*200*	*200*	*0.0%*
Asia-Pacific	AC Family	0	0	-	0	0	-
	Overseas Carriers	0	0	-	0	0	-
	TOTAL	*0*	*0*	-	*0*	*0*	-
Europe	AC Family	0	0	-	0	0	-
	Other Domestic[2]	8	8	N/A	200	200	N/A
	Overseas Carriers	0	0	-	0	0	-
	TOTAL	*8*	*8*	*0.0%*	*200*	*200*	*0.0%*
Misc. International	AC Family	0	0	-	0	0	-
	Overseas Carriers	0	0	-	0	0	-
	TOTAL	*0*	*0*	-	*0*	*0*	-

Notes:

*The provincial allocations must only be analysed in conjunction with the "Canada Total Air Service Capacity." See point 3 of Appendix C.

Source: Official Airline Guide OAG-MAX August 1999 and June 2000 data disks.

1 "Other Domestic" denotes other Canadian airlines.

2 N/A - "Other Domestic" carriers cannot be calculated due to incomplete 1999 and 2000 data available for Royal Airlines, Air Transat and foreign charter carriers. (Canada 3000 international data obtained from flight

3 Caution: Frequency and capacity data totals do not include all charter operations by Royal Airlines, Air Transat and foreign charter carriers.

4 See notes to Air Capacity Tables in Appendix C for additional discussion on methodology, limitations and

Appendix B: Flight and Capacity Impacts by Gateway

TOP FOUR CANADIAN GATEWAYS - INBOUND CAPACITY

includes all non-stop inbound frequencies and seats for YVR, YYC, YYZ and YUL
August 1999 versus August 2000

By Carrier Group:

		Total Gateway Airports					
		Frequency			Seat Capacity		
		Aug-99	Aug-00	% chang	Aug-99	Aug-00	% change
AC Family Carriers	Domestic	24,636	18,874	-23.4%	1,853,629	1,622,350	-12.5%
	Transborder	6,374	7,595	19.2%	527,247	593,935	12.6%
	Asia-Pacific	284	354	24.6%	79,994	102,012	27.5%
	Europe	650	695	6.9%	145,206	151,930	4.6%
	Other Internatio	210	241	14.8%	32,167	34,405	7.0%
	Total	*32,154*	*27,759*	*-13.7%*	*2,638,243*	*2,504,632*	*-5.1%*
Other Domestic Carriers	*Total*	*3,052*	*4,672*	N/A	*348,624*	*598,457*	N/A
US Carriers	*Total*	*6,670*	*7,323*	*9.8%*	*655,551*	*703,253*	*7.3%*
Other International Carr	*Total*	*1,014*	*1,097*	*8.2%*	*335,220*	*340,660*	*1.6%*
Asia-Pacific Carriers		287	303	5.6%	103,119	108,212	4.9%
European Carriers		571	582	1.9%	189,255	182,237	-3.7%
Misc. International Carriers		156	212	35.9%	42,846	50,211	17.2%
Total Non-Domestic Carriers	*Total*	*7,684*	*8,420*	*9.6%*	*990,771*	*1,043,913*	*5.4%*

By Sector:

		Total Gateway Airports					
		Frequency			Seat Capacity		
		Aug-99	Aug-00	% chang	Aug-99	Aug-00	% change
Domestic	AC Family	24,636	18,874	-23.4%	1,853,629	1,622,350	-12.5%
	Other Domestic	2,856	4,255	49.0%	275,888	474,427	72.0%
	TOTAL	*27,492*	*23,129*	*-15.9%*	*2,129,517*	*2,096,777*	*-1.5%*
Transborder	AC Family	6,374	7,595	19.2%	527,247	593,935	12.6%
	Other Domestic	158	233	47.5%	26,788	36,384	35.8%
	US Carriers	6,670	7,323	9.8%	655,551	703,253	7.3%
	Overseas Carrie	130	164	26.2%	45,841	55,510	21.1%
	TOTAL	*13,332*	*15,315*	*14.9%*	*1,255,427*	*1,389,082*	*10.6%*
Other International	AC Family	1,144	1,290	12.8%	257,367	288,347	12.0%
	Other Domestic[1]	38	184	N/A	45,948	67,646	N/A
	Overseas Carrie	884	933	5.5%	289,379	285,150	-1.5%
	TOTAL	*2,066*	*2,407*	*16.5%*	*592,694*	*661,143*	*11.5%*
Asia-Pacific	AC Family	284	354	24.6%	79,994	102,012	27.5%
	Overseas Carriers	216	188	-13.0%	79,803	72,836	-8.7%
	TOTAL	*500*	*542*	*8.4%*	*159,797*	*174,848*	*9.4%*
Europe	AC Family	650	695	6.9%	145,206	151,930	4.6%
	Other Domestic[1]	38	184	N/A	45,948	87,646	N/A
	Overseas Carriers	563	573	1.8%	187,583	180,356	-3.9%
	TOTAL	*1,251*	*1,452*	*16.1%*	*378,737*	*419,932*	*10.9%*
Misc. International	AC Family	210	241	14.8%	32,167	34,405	7.0%
	Overseas Carriers	105	172	63.8%	21,993	31,958	45.3%
	TOTAL	*315*	*413*	*31.1%*	*54,160*	*66,363*	*22.5%*

Notes:

Source: Official Airline Guide OAG-MAX August 1999 and June 2000 data disks.

1 "Other Domestic" denotes other Canadian airlines.

2 N/A - "Other Domestic" carriers cannot be calculated due to incomplete 1999 and 2000 data available for Royal Airlines, Air Transat and foreign charter carriers. (Canada 3000 international data

3 Caution: Frequency and capacity data totals do not include all charter operations by Royal Airlines, Air Transat and foreign charter carriers.

4 See notes to Air Capacity Tables in Appendix C for additional discussion on methodology, limitations and interpretation of data.

TOP FOUR CANADIAN GATEWAYS - INBOUND CAPACITY

includes all non-stop inbound frequencies and seats for YVR, YYC, YYZ and YUL

August 1999 versus August 2000

By Carrier Group		Total Gateway Airports					
		Frequency			Seat Capacity		
		Aug-99	Aug-00	% Chng	Aug-99	Aug-00	% Chng
AC Family Carriers	Domestic	24,636	18,873	-23.4%	3,053,520	2,622,150	-14.1%
	Transborder	6,374	7,596	19.2%	627,243	840,000	33.9%
	Asia-Pacific	284	354	24.6%	44,944	56,000	24.6%
	Europe	650	644	-0.9%	102,700	101,752	-0.9%
	Other International	21	21	0.0%	3,317	3,317	0.0%
	Total	32,154	27,769	-13.6%	3,831,424	3,623,219	-5.4%
Other Domestic Carriers	Total	1,052	4,672	344.1%	94,624	419,451	343.3%
US Carriers	Total	6,670	7,323	9.8%	755,551	780,250	3.3%
Other International Carr	Total	1,014	1,087	7.2%	195,220	324,082	66.0%
Asia-Pacific Carriers		274	336	22.6%	49,320	60,480	22.6%
European Carriers		644	636	-1.2%	115,920	114,480	-1.2%
Misc. International Carriers		96	115	19.8%	29,980	149,122	397.4%
Total Non-Domestic Carriers	Total	7,684	8,420	9.6%	950,771	1,104,332	16.2%
TOTAL		**42,890**	**40,851**	**-4.8%**	**3,977,638**	**4,147,002**	**4.3%**

By Sector		Total Gateway Airports					
		Frequency			Seat Capacity		
		Aug-99	Aug-00	% Chng	Aug-99	Aug-00	% Chng
Domestic	AC Family	24,636	18,873	-23.4%	3,053,520	2,622,150	-14.1%
	Other Domestic	2,856	4,256	49.0%	226,868	419,451	84.9%
	TOTAL	27,492	23,129	-15.9%	3,280,388	3,041,601	-7.3%
Transborder	AC Family	6,374	7,596	19.2%	627,243	840,000	33.9%
	Other Domestic	156	233	49.4%	20,788	34,384	65.4%
	US Carriers	6,670	7,323	9.8%	755,551	780,250	3.3%
	Overseas Carriers	132	164	24.2%	36,941	46,041	24.6%
	TOTAL	13,332	15,316	14.9%	1,440,523	1,700,675	18.1%
Other International	AC Family	1,144	1,234	7.9%	254,757	288,154	13.1%
	Other Domestic	40	183	N.A.	47,048	67,548	43.6%
	Overseas Carriers	882	923	4.6%	244,910	258,082	5.4%
	TOTAL	2,066	2,340	13.3%	546,715	613,784	12.3%
Asia-Pacific	AC Family	284	354	24.6%	44,944	56,000	24.6%
	Overseas Carriers	274	336	22.6%	49,320	60,480	22.6%
	TOTAL	558	690	23.7%	94,264	116,480	23.6%
Europe	AC Family	650	644	-0.9%	102,700	101,752	-0.9%
	Other Domestic	16	34	112.5%	2,576	5,474	112.5%
	Overseas Carriers	644	636	-1.2%	115,920	114,480	-1.2%
	TOTAL	1,310	1,314	0.3%	221,196	221,706	0.2%
Misc. International	AC Family	21	21	0.0%	3,317	3,317	0.0%
	Overseas Carriers	96	115	19.8%	29,980	149,122	397.4%
	TOTAL	117	136	16.2%	33,297	152,439	357.8%
TOTAL[3]		**42,890**	**40,851**	**-4.8%**	**3,977,638**	**4,147,002**	**4.3%**

Notes

Source: Official Airline Guide OAG-MAX August 1999 and June 2000 data disks

1 "Other Domestic" denotes other Canadian airlines

2 N.A. - "Other Domestic" carriers cannot be calculated due to incomplete 1999 and 2000 data available for Royal Airlines, Air Transat and foreign charter carriers. Canada 3000 international data

3 Caution: Frequency and capacity data totals do not include all charter operations by Royal Airlines, Air Transat and foreign charter carriers

4 See notes to Air Capacity Tables in Appendix C for additional discussion on methodology, limitations and interpretation of data

VANCOUVER INTERNATIONAL AIRPORT - INBOUND CAPACITY

(includes all non-stop inbound frequencies and seats for YVR)
August 1999 versus August 2000

By Carrier Group:		Vancouver					
		Frequency			Seat Capacity		
		Aug-99	Aug-00	% change	Aug-99	Aug-00	% change
AC Family Carriers	Domestic	7,054	5,111	-27.5%	474,099	405,615	-14.4%
	Transborder	960	1,007	4.9%	86,584	88,937	2.7%
	Asia-Pacific	240	248	3.3%	68,378	74,772	9.4%
	Europe	77	93	20.8%	18,747	20,607	9.9%
	Other Internatior	0	0	-	0	0	-
	Total	8,331	6,459	-22.5%	647,808	589,931	-8.9%
Other Domestic Carriers	Total	1,445	2,210	N.A.	103,649	165,307	N.A.
US Carriers	Total	1,992	2,124	6.6%	191,162	204,222	6.8%
Other International Carr	Total	332	339	2.1%	123,831	126,109	1.8%
Asia-Pacific Carriers		24	24	2.9%	80,824	82,643	2.3%
European Carriers		93	93	0.0%	34,007	33,866	-0.4%
Misc. International Carriers							
Total Non-Domestic Carriers	Total	2,324	2,463	6.0%	314,993	330,331	4.9%
TOTAL		**12,100**	**11,132**	**-8.0%**	**1,066,450**	**1,085,569**	**1.8%**

By Sector:		Vancouver					
		Frequency			Seat Capacity		
		Aug-99	Aug-00	% change	Aug-99	Aug-00	% change
Domestic	AC Family	7,054	5,111	-27.5%	474,099	405,615	-14.4%
	Other Domestic	1,387	2,101	51.5%	93,287	150,932	61.8%
	TOTAL	8,441	7,212	-14.6%	567,386	556,547	-1.9%
Transborder	AC Family	960	1,007	4.9%	86,584	88,937	2.7%
	Other Domestic	58	100	72.4%	10,362	11,108	7.2%
	US Carriers	1,992	2,124	6.6%	191,162	204,222	6.8%
	Overseas Carrie	31	49	58.1%	11,997	16,101	34.2%
	TOTAL	3,041	3,280	7.9%	300,105	320,368	6.8%
Other International	AC Family	317	341	7.6%	87,125	95,379	9.5%
	Other Domestic	0	9	N.A.	0	3,267	N.A.
	Overseas Carrie	301	290	-3.7%	111,834	110,008	-1.6%
	TOTAL	618	640	3.6%	198,959	208,654	4.9%
Asia-Pacific	AC Family	24	24	2.9%	80,824	82,643	2.3%
	Overseas Carriers	216	224	3.7%	42,554	44,129	3.7%
	TOTAL	240	248	3.3%	123,378	126,772	2.8%
Europe	AC Family	77	93	20.8%	18,747	20,607	9.9%
	Other Domestic	0	0	N.A.	0	1,259	N.A.
	Overseas Carriers	93	93	0.0%	34,007	33,866	-0.4%
	TOTAL	170	186	9.4%	52,754	55,732	5.6%
Misc. International	AC Family	0	0	-	0	0	-
	Overseas Carriers	0	0	0.0%	3,600	3,600	0.0%
	TOTAL	0	0	0.0%	3,600	3,600	0.0%
TOTAL[3]		**12,100**	**11,132**	**-8.0%**	**1,066,450**	**1,085,569**	**1.8%**

Notes:

Source: Official Airline Guide OAG-MAX August 1999 and June 2000 data disks

1 "Other Domestic" denotes other Canadian airlines

2 N.A. "Other Domestic" carriers cannot be calculated due to incomplete 1999 and 2000 data available for Royal Airlines, Air Transat and foreign charter carriers. (Canada 3000 international data

3 Caution: Frequency and capacity data totals do not include all charter operations by Royal Airlines, Air Transat and foreign charter carriers

4 See notes to Air Capacity Tables in Appendix C for additional discussion on methodology, limitations and interpretation of data

CALGARY INTERNATIONAL AIRPORT - INBOUND CAPACITY

(includes all non-stop inbound frequencies and seats for YYC)

August 1999 versus August 2000

By Carrier Group:

		Calgary					
		Frequency			Seat Capacity		
		Aug-99	Aug-00	% change	Aug-99	Aug-00	% change
AC Family Carriers	Domestic	5,319	3,762	-29.2%	376,260	271,441	-27.9%
	Transborder	327	271	-17.1%	32,747	25,454	-22.3%
	Asia-Pacific	1	2	100.0%	254	508	100.0%
	Europe	102	93	-8.8%	25,844	22,879	-11.5%
	Other International	0	0		0	0	
	Total	5,749	4,128	-28.2%	435,105	320,282	-26.4%
Other Domestic Carriers	Total	787	1,117	41.9%	115,052	171,142	48.8%
US Carriers	Total	682	682	0.0%	75,640	76,012	0.5%
Other International Carr	Total	0	0		0	0	
Asia-Pacific Carriers							
European Carriers							
Misc. International Carriers							
Total Non-Domestic Carriers	Total	682	682	0.0%	75,640	76,012	0.5%
TOTAL		**7,214**	**5,925**	**-17.9%**	**626,665**	**572,933**	**-8.6%**

By Sector:

		Calgary					
		Frequency			Seat Capacity		
		Aug-99	Aug-00	% change	Aug-99	Aug-00	% change
Domestic	AC Family	5,319	3,762	-29.2%	376,260	271,441	-27.9%
	Other Domestic	753	1,054	39.9%	97,346	139,813	43.6%
	TOTAL	6,072	4,816	-20.7%	473,606	411,254	-13.2%
Transborder	AC Family	327	271	-17.1%	32,747	25,454	-22.3%
	Other Domestic	18	17	-5.6%	3,024	2,856	-5.6%
	US Carriers	682	682	0.0%	75,640	76,012	0.5%
	Overseas Carriers						
	TOTAL	1,027	970	-5.6%	111,411	104,322	-6.4%
Other International	AC Family	103	93	-9.7%	25,706	23,878	-7.1%
	Other Domestic	12	46	283.3%	14,682	28,473	93.9%
	Overseas Carriers	1	0		1,257	0	
	TOTAL	116	139	20.9%	41,645	52,351	25.7%
Asia-Pacific	AC Family	1	2	100.0%	254	508	100.0%
	Overseas Carriers						
	TOTAL	1	2	100.0%	254	508	100.0%
Europe	AC Family	102	93	-8.8%	25,844	22,879	-11.5%
	Other Domestic	2	0	-100.0%	1,143	0	-100.0%
	Overseas Carriers						
	TOTAL	104	93	-10.6%	26,987	22,879	-15.2%
Misc. International	AC Family						
	Overseas Carriers						
	TOTAL						
TOTAL[3]		**7,214**	**5,925**	**-17.9%**	**626,665**	**572,933**	**-8.6%**

Notes:

Source: Official Airline Guide OAG-MAX August 1999 and June 2000 data disks

1 "Other Domestic" denotes other Canadian airlines.

2 N.A. - "Other Domestic" carriers cannot be calculated due to incomplete 1999 and 2000 data available for Royal Airlines, Air Transat and foreign charter carriers. (Canada 3000 internationa

3 Caution: Frequency and capacity data totals do not include all charter operations by Royal Airlines, Air Transat and foreign charter carriers.

4 See notes to Air Capacity Tables in Appendix C for additional discussion on methodology, limitations and interpretation of data.

VANCOUVER INTERNATIONAL AIRPORT - INBOUND CAPACITY

(Includes all non-stop inbound frequencies and seats for YVR)
August 1999 versus August 2000

By Carrier Group:

		Vancouver					
		Frequency			Seat Capacity		
		Aug-99	Aug-00	% chang	Aug-99	Aug-00	% change
AC Family Carriers	Domestic	7,054	5,111	-27.5%	474,099	405,615	-14.4%
	Transborder	960	1,007	4.9%	86,584	88,937	2.7%
	Asia-Pacific	240	248	3.3%	68,378	74,772	9.4%
	Europe	77	93	20.8%	18,747	20,607	9.9%
	Other Internatio	0	0	-	0	0	-
	Total	*8,331*	*6,459*	*-22.5%*	*647,808*	*589,931*	*-8.9%*
Other Domestic Carriers	*Total*	*1,445*	*2,210*	N/A	*103,649*	*165,307*	N/A
US Carriers	*Total*	*1,992*	*2,124*	*6.6%*	*191,162*	*204,222*	*6.8%*
Other International Carr	*Total*	*332*	*339*	*2.1%*	*123,831*	*126,109*	*1.8%*
Asia-Pacific Carriers		239	246	2.9%	89,824	92,537	3.0%
European Carriers		93	93	0.0%	34,007	33,572	-1.3%
Misc. International Carriers		0	0	-	0	0	-
Total Non-Domestic Carriers	*Total*	*2,324*	*2,463*	*6.0%*	*314,993*	*330,331*	*4.9%*

By Sector:

		Vancouver					
		Frequency			Seat Capacity		
		Aug-99	Aug-00	% chang	Aug-99	Aug-00	% change
Domestic	AC Family	7,054	5,111	-27.5%	474,099	405,615	-14.4%
	Other Domestic	1,387	2,101	51.5%	93,287	150,932	61.8%
	TOTAL	*8,441*	*7,212*	*-14.6%*	*567,386*	*556,547*	*-1.9%*
Transborder	AC Family	960	1,007	4.9%	86,584	88,937	2.7%
	Other Domestic	58	100	72.4%	10,362	11,108	7.2%
	US Carriers	1,992	2,124	6.6%	191,162	204,222	6.8%
	Overseas Carrie	31	49	58.1%	11,997	16,101	34.2%
	TOTAL	*3,041*	*3,280*	*7.9%*	*300,105*	*320,368*	*6.8%*
Other International	AC Family	317	341	7.6%	87,125	95,379	9.5%
	Other Domestic[1]	0	9	N/A	0	3,267	N/A
	Overseas Carrie	301	290	-3.7%	111,834	110,008	-1.6%
	TOTAL	*618*	*640*	*3.6%*	*198,959*	*208,654*	*4.9%*
Asia-Pacific	AC Family	240	248	3.3%	68,378	74,772	9.4%
	Overseas Carriers	199	188	-5.5%	74,227	72,836	-1.9%
	TOTAL	*439*	*436*	*-0.7%*	*142,605*	*147,608*	*3.5%*
Europe	AC Family	77	93	20.8%	18,747	20,607	9.9%
	Other Domestic[1]	0	9	N/A	0	3,267	N/A
	Overseas Carriers	93	93	0.0%	34,007	33,572	-1.3%
	TOTAL	*170*	*195*	*14.7%*	*52,754*	*57,446*	*8.9%*
Misc. International	AC Family	0	0	-	0	0	-
	Overseas Carriers	9	9	0.0%	3,600	3,600	0.0%
	TOTAL	*9*	*9*	*0.0%*	*3,600*	*3,600*	*0.0%*

Notes:

Source: Official Airline Guide OAG-MAX August 1999 and June 2000 data disks.

1 "Other Domestic" denotes other Canadian airlines.

2 N/A - "Other Domestic" carriers cannot be calculated due to incomplete 1999 and 2000 data available for Royal Airlines, Air Transat and foreign charter carriers. (Canada 3000 international data

3 Caution: Frequency and capacity data totals do not include all charter operations by Royal Airlines, Air Transat and foreign charter carriers.

4 See notes to Air Capacity Tables in Appendix C for additional discussion on methodology, limitations and interpretation of data.

CALGARY INTERNATIONAL AIRPORT - INBOUND CAPACITY
(includes all non-stop inbound frequencies and seats for YYC)
August 1999 versus August 2000

By Carrier Group:

		Calgary					
		Frequency			Seat Capacity		
		Aug-99	Aug-00	% chang	Aug-99	Aug-00	% change
AC Family Carriers	Domestic	5,315	3,762	-29.2%	376,260	277,447	-26.3%
	Transborder	327	271	-17.1%	32,747	25,454	-22.3%
	Asia-Pacific	1	0	-100.0%	264	0	-100.0%
	Europe	102	93	-8.8%	26,442	22,878	-13.5%
	Other Internatio	0	0	-	0	0	-
	Total	*5,745*	*4,126*	*-28.2%*	*435,713*	*325,779*	*-25.2%*
Other Domestic Carriers	*Total*	*787*	*1,117*	N/A	*115,312*	*171,142*	N/A
US Carriers	*Total*	*682*	*682*	*0.0%*	*75,640*	*76,012*	*0.5%*
Other International Carr	*Total*	*0*	*0*	-	*0*	*0*	-
Asia-Pacific Carriers		0	0	-	0	0	-
European Carriers		0	0	-	0	0	-
Misc. International Carriers		0	0	-	0	0	-
Total Non-Domestic Carriers	*Total*	*682*	*682*	*0.0%*	*75,640*	*76,012*	*0.5%*

By Sector:

		Calgary					
		Frequency			Seat Capacity		
		Aug-99	Aug-00	% chang	Aug-99	Aug-00	% change
Domestic	AC Family	5,315	3,762	-29.2%	376,260	277,447	-26.3%
	Other Domestic	757	1,054	39.2%	97,346	139,813	43.6%
	TOTAL	*6,072*	*4,816*	*-20.7%*	*473,606*	*417,260*	*-11.9%*
Transborder	AC Family	327	271	-17.1%	32,747	25,454	-22.3%
	Other Domestic	18	17	-5.6%	3,024	2,856	-5.6%
	US Carriers	682	682	0.0%	75,640	76,012	0.5%
	Overseas Carriers			-			-
	TOTAL	*1,027*	*970*	*-5.6%*	*111,411*	*104,322*	*-6.4%*
Other International	AC Family	103	93	-9.7%	26,706	22,878	-14.3%
	Other Domestic[1]	12	46	N/A	14,942	28,473	N/A
	Overseas Carrie	0	0	-	0	0	-
	TOTAL	*115*	*139*	*20.9%*	*41,648*	*51,351*	*23.3%*
Asia-Pacific	AC Family	1	0	-100.0%	264	0	-100.0%
	Overseas Carriers	0	0	-	0	0	-
	TOTAL	*1*	*0*	*-100.0%*	*264*	*0*	*-100.0%*
Europe	AC Family	102	93	-8.8%	26,442	22,878	-13.5%
	Other Domestic[1]	12	46	N/A	14,942	28,473	N/A
	Overseas Carriers	0	0	-	0	0	-
	TOTAL	*114*	*139*	*21.9%*	*41,384*	*51,351*	*24.1%*
Misc. International	AC Family	0	0	-	0	0	-
	Overseas Carriers	0	0	-	0	0	-
	TOTAL	*0*	*0*	-	*0*	*0*	-

Notes:

Source: Official Airline Guide OAG-MAX August 1999 and June 2000 data disks.

1 "Other Domestic" denotes other Canadian airlines.

2 N/A - "Other Domestic" carriers cannot be calculated due to incomplete 1999 and 2000 data available for Royal Airlines, Air Transat and foreign charter carriers. (Canada 3000 international

3 Caution: Frequency and capacity data totals do not include all charter operations by Royal Airlines, Air Transat and foreign charter carriers.

4 See notes to Air Capacity Tables in Appendix C for additional discussion on methodology, limitations and interpretation of data.

TORONTO INTERNATIONAL AIRPORT - INBOUND CAPACITY
(Includes all non-stop inbound frequencies and seats for YYZ)
August 1999 versus August 2000

By Carrier Group:

		Toronto					
		Aug-99	Aug-00	% change	Aug-99	Aug-00	% change
AC Family Carriers	Domestic	8,200	6,737	-17.8%	729,482	687,887	-5.7%
	Transborder	4,221	5,125	21.4%	345,046	389,352	12.8%
	Asia-Pacific	43	106	146.5%	11,352	27,240	140.0%
	Europe	382	398	9.9%	74,364	79,675	7.1%
	Other Internatio	187	216	15.5%	29,201	30,660	5.0%
	Total	*13,013*	*12,582*	*-3.3%*	*1,189,445*	*1,214,814*	*2.1%*
Other Domestic Carriers	*Total*	*504*	*922*	*N/A*	*101,006*	*206,991*	*N/A*
US Carriers	*Total*	*2,610*	*3,088*	*18.3%*	*266,999*	*295,587*	*10.7%*
Other International Carr	*Total*	*384*	*465*	*21.1%*	*115,548*	*125,937*	*9.0%*
Asia-Pacific Carriers		48	57	18.8%	13,269	15,675	17.9%
European Carriers		230	253	10.0%	77,840	80,481	3.4%
Misc. International Carriers		106	155	46.2%	24,411	29,781	22.0%
Total Non-Domestic Carriers	*Total*	*2,994*	*3,553*	*18.7%*	*382,545*	*421,524*	*10.2%*

By Sector:

		Toronto					
		Aug-99	Aug-00	% change	Aug-99	Aug-00	% change
Domestic	AC Family	8,200	6,737	-17.8%	729,482	687,887	-5.7%
	Other Domestic	404	686	69.8%	65,760	138,731	111.0%
	TOTAL	*8,604*	*7,423*	*-13.7%*	*795,242*	*826,618*	*3.9%*
Transborder	AC Family	4,221	5,125	21.4%	345,046	389,352	12.8%
	Other Domestic	82	116	41.5%	13,402	22,420	67.3%
	US Carriers	2,610	3,088	18.3%	266,999	295,587	10.7%
	Overseas Carrie	60	66	10.0%	18,315	19,648	7.3%
	TOTAL	*6,973*	*8,395*	*20.4%*	*643,762*	*727,007*	*12.9%*
Other International	AC Family	592	720	21.6%	114,917	137,575	19.7%
	Other Domestic[1]	18	120	N/A	21,844	45,840	N/A
	Overseas Carrie	324	399	23.1%	97,231	106,289	9.3%
	TOTAL	*934*	*1,239*	*32.7%*	*233,992*	*289,704*	*23.8%*
Asia-Pacific	AC Family	43	106	146.5%	11,352	27,240	140.0%
	Overseas Carriers	17	0	-100.0%	5,576	0	-100.0%
	TOTAL	*60*	*106*	*76.7%*	*16,928*	*27,240*	*60.9%*
Europe	AC Family	382	398	9.9%	74,364	79,675	7.1%
	Other Domestic[1]	18	120	N/A	21,844	45,840	N/A
	Overseas Carriers	230	253	10.0%	77,840	80,481	3.4%
	TOTAL	*610*	*771*	*26.4%*	*174,048*	*205,996*	*18.4%*
Misc. International	AC Family	187	216	15.5%	29,201	30,660	5.0%
	Overseas Carriers	77	146	89.6%	13,815	25,808	86.8%
	TOTAL	*264*	*362*	*37.1%*	*43,016*	*56,468*	*31.3%*

Notes:

Source: Official Airline Guide OAG-MAX August 1999 and June 2000 data disks.

1 "Other Domestic" denotes other Canadian airlines.

2 N/A - "Other Domestic" carriers cannot be calculated due to incomplete 1999 and 2000 data available for Royal Airlines, Air Transat and foreign charter carriers. (Canada 3000 international data obtained

3 Caution: Frequency and capacity data totals do not include all charter operations by Royal Airlines, Air Transat and foreign charter carriers.

4 See notes to Air Capacity Tables in Appendix C for additional discussion on methodology, limitations and interpretation of data.

MONTREAL DORVAL INTERNATIONAL AIRPORT - INBOUND CAPACITY

(includes all non-stop inbound frequencies and seats for YUL)
August 1999 versus August 2000

By Carrier Group:

		Montreal (Dorval)					
		Frequency			Seat Capacity		
		Aug-99	Aug-00	% change	Aug-99	Aug-00	% change
AC Family Carriers	Domestic	4,067	3,264	-19.7%	273,788	251,401	-8.2%
	Transborder	866	1,192	37.6%	62,870	90,192	43.5%
	Asia-Pacific	0	0	-	0	0	-
	Europe	109	111	1.8%	25,653	28,770	12.2%
	Other International	23	25	8.7%	2,966	3,745	26.3%
	Total	*5,065*	*4,592*	*-9.3%*	*365,277*	*374,108*	*2.4%*
Other Domestic Carriers[1]	*Total*	*316*	*423*	N/A	*28,657*	*55,017*	N/A
US Carriers	*Total*	*1,386*	*1,429*	*3.1%*	*121,750*	*127,432*	*4.7%*
Other International Carrie	*Total*	*298*	*293*	*-1.7%*	*95,843*	*88,614*	*-7.5%*
Asia-Pacific Carriers		0	0	-	0	0	-
European Carriers		248	236	-4.8%	77,408	68,184	-11.9%
Misc. International Carriers		50	57	14.0%	18,435	20,430	10.8%
Total Non-Domestic Carriers	*Total*	*1,684*	*1,722*	*2.3%*	*217,593*	*216,046*	*-0.7%*

By Sector:

		Montreal (Dorval)					
		Frequency			Seat Capacity		
		Aug-99	Aug-00	% change	Aug-99	Aug-00	% change
Domestic	AC Family	4,067	3,264	-19.7%	273,788	251,401	-8.2%
	Other Domestic	308	414	34.4%	19,495	44,951	130.6%
	TOTAL	*4,375*	*3,678*	*-15.9%*	*293,283*	*296,352*	*1.0%*
Transborder	AC Family	866	1,192	37.6%	62,870	90,192	43.5%
	Other Domestic	0	0	-	0	0	-
	US Carriers	1,386	1,429	3.1%	121,750	127,432	4.7%
	Overseas Carriers	39	49	25.6%	15,529	19,761	27.3%
	TOTAL	*2,291*	*2,670*	*16.5%*	*200,149*	*237,385*	*18.6%*
Other International	AC Family	132	136	3.0%	28,619	32,515	13.6%
	Other Domestic[2]	8	9	N/A	9,162	10,066	N/A
	Overseas Carriers	259	244	-5.8%	80,314	68,853	-14.3%
	TOTAL	*399*	*389*	*-2.5%*	*118,095*	*111,434*	*-5.6%*
						0	
Asia-Pacific	AC Family	0	0	-	0	0	-
	Overseas Carriers	0	0	-	0	0	-
	TOTAL	*0*	*0*	-	*0*	*0*	-
Europe	AC Family	109	111	1.8%	25,653	28,770	12.2%
	Other Domestic[2]	8	9	N/A	9,162	10,066	N/A
	Overseas Carriers	240	227	-5.4%	75,736	66,303	-12.5%
	TOTAL	*357*	*347*	*-2.8%*	*110,551*	*105,139*	*-4.9%*
Misc. International	AC Family	23	25	8.7%	2,966	3,745	26.3%
	Overseas Carriers	19	17	-10.5%	4,578	2,550	-44.3%
	TOTAL	*42*	*42*	*0.0%*	*7,544*	*6,295*	*-16.6%*

Notes:

Source: Official Airline Guide OAG-MAX August 1999 and June 2000 data disks.

1 "Other Domestic" denotes other Canadian airlines.

2 N/A - "Other Domestic" carriers cannot be calculated due to incomplete 1999 and 2000 data available for Royal Airlines, Air Transat and foreign charter carriers. (Canada 3000 international data obtained from flight

3 Caution: Frequency and capacity data totals do not include all charter operations by Royal Airlines, Air Transat and foreign charter carriers.

4 See notes to Air Capacity Tables in Appendix C for additional discussion on methodology, limitations and interpretation of data.

InterVISTAS

TORONTO INTERNATIONAL AIRPORT - INBOUND CAPACITY

(includes all non-stop inbound frequencies and seats for YYZ)
August 1999 versus August 2000

By Carrier Group:

		Toronto					
		Frequency			Seat Capacity		
		Aug-99	Aug-00	% change	Aug-99	Aug-00	% change
AC Family Carriers	Domestic	8,200	6,737	-17.8%	729,482	687,887	-5.7%
	Transborder	4,221	5,125	21.4%	345,046	389,352	12.8%
	Asia-Pacific	43	106	146.5%	11,352	27,240	140.0%
	Europe	362	398	9.9%	74,364	79,675	7.1%
	Other Internatio	187	216	15.5%	29,201	30,660	5.0%
	Total	13,013	12,582	-3.3%	1,189,445	1,214,814	2.1%
Other Domestic Carriers	Total	504	922	N.A.	101,006	206,991	N.A.
US Carriers	Total	2,610	3,088	18.3%	266,999	295,587	10.7%
Other International Carr	Total	384	465	21.1%	115,546	125,937	9.0%
Asia-Pacific Carriers		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
European Carriers		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Misc. International Carriers		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total Non-Domestic Carriers	Total	2,994	3,553	18.7%	382,545	421,524	10.2%
TOTAL		**16,511**	**17,057**	**3.3%**	**1,672,996**	**1,843,329**	**10.2%**

By Sector:

		Toronto					
		Frequency			Seat Capacity		
		Aug-99	Aug-00	% change	Aug-99	Aug-00	% change
Domestic	AC Family	8,200	6,737	-17.8%	729,482	687,887	-5.7%
	Other Domestic	404	686	69.8%	65,760	138,731	111.0%
	TOTAL	8,604	7,423	-13.7%	795,242	826,618	3.9%
Transborder	AC Family	4,221	5,125	21.4%	345,046	389,352	12.8%
	Other Domestic	82	116	41.5%	13,402	22,420	67.3%
	US Carriers	2,610	3,088	18.3%	266,999	295,587	10.7%
	Overseas Carrie	60	66	10.0%	18,315	19,648	7.3%
	TOTAL	6,973	8,395	20.4%	643,762	727,007	12.9%
Other International	AC Family	592	720	21.6%	114,917	137,575	19.7%
	Other Domestic[1]	18	120	N.A.	21,844	45,840	N.A.
	Overseas Carrie	324	399	23.1%	97,231	106,289	9.3%
	TOTAL	934	1,239	32.7%	233,992	289,704	23.8%
Asia-Pacific	AC Family	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	Overseas Carriers	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	TOTAL	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Europe	AC Family	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	Other Domestic[1]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	Overseas Carriers	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	TOTAL	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Misc. International	AC Family	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	Overseas Carriers	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	TOTAL	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
TOTAL[3]		**16,511**	**17,057**	**3.3%**	**1,672,996**	**1,843,329**	**10.2%**

Notes:

Source: Official Airline Guide OAG-MAX August 1999 and June 2000 data disks

1 "Other Domestic" denotes other Canadian airlines

2 N.A. - "Other Domestic" carriers cannot be calculated due to incomplete 1999 and 2000 data available for Royal Airlines, Air Transat and foreign charter carriers. (Canada 3000 international data obtained

3 Caution: Frequency and capacity data totals do not include all charter operations by Royal Airlines, Air Transat and foreign charter carriers

4 See notes to Air Capacity Tables in Appendix C for additional discussion on methodology, limitations and interpretation of data

InterVISTAS

MONTREAL DORVAL INTERNATIONAL AIRPORT - INBOUND CAPACITY

(includes all non-stop inbound frequencies and seats for YUL)

August 1999 versus August 2000

By Carrier Group:		Montreal (Dorval)					
		Frequency			Seat Capacity		
		Aug-99	Aug-00	% change	Aug-99	Aug-00	% change
AC Family Carriers	Domestic	4,067	3,264	-19.7%	273,788	251,411	-8.2%
	Transborder	866	1,192	37.6%	62,850	86,104	37.0%
	Asia-Pacific	0	0		0	0	
	Europe	109	111	1.8%	25,744	28,770	11.8%
	Other International	23	25	8.7%	2,946	3,734	26.7%
	Total	5,065	4,592	-9.3%	365,277	374,019	2.4%
Other Domestic Carriers[1]	*Total*	316	423	33.9%	28,657	38,107	33.0%
US Carriers	*Total*	1,386	1,429	3.1%	121,750	127,414	4.7%
Other International Carrie	*Total*	298	291	-2.3%	45,843	46,614	1.7%
Asia-Pacific Carriers		32	28	-12.5%	3,840	3,360	-12.5%
European Carriers		234	234	0.0%	38,003	38,254	0.7%
Misc. International Carriers		32	29	-9.4%	4,000	4,000	0.0%
Total Non-Domestic Carriers	*Total*	1,684	1,722	2.3%	212,593	216,028	1.6%
TOTAL		**7,065**	**6,737**	**-4.6%**	**611,527**	**645,171**	**5.5%**

By Sector		Montreal (Dorval)					
		Frequency			Seat Capacity		
		Aug-99	Aug-00	% change	Aug-99	Aug-00	% change
Domestic	AC Family	4,067	3,264	-19.7%	273,788	251,411	-8.2%
	Other Domestic	308	414	34.4%	19,446	32,067	64.9%
	TOTAL	4,375	3,678	-15.9%	293,234	283,478	-3.3%
Transborder	AC Family	866	1,192	37.6%	62,850	86,104	37.0%
	Other Domestic	8	0	-100.0%	211	0	-100.0%
	US Carriers	1,386	1,429	3.1%	121,750	127,414	4.7%
	Overseas Carriers	34	41	20.6%	1,530	1,841	20.3%
	TOTAL	2,294	2,662	16.0%	186,341	215,359	15.6%
Other International	AC Family	132	136	3.0%	28,633	32,515	13.6%
	Other Domestic	8	9	N.A.	8,792	6,067	N.A.
	Overseas Carriers	264	268	1.5%	45,843	46,614	1.7%
	TOTAL	404	413	2.2%	83,268	85,196	2.3%
Asia-Pacific	AC Family						
	Overseas Carriers						
	TOTAL						
Europe	AC Family	109	111	1.8%	25,744	28,770	11.8%
	Other Domestic	8	9	N.A.	8,792	6,067	N.A.
	Overseas Carriers	234	234	0.0%	38,003	38,254	0.7%
	TOTAL	351	354	0.9%	72,539	73,091	0.8%
Misc. International	AC Family	23	25	8.7%	2,946	3,734	26.7%
	Overseas Carriers	32	29	-9.4%	4,000	4,000	0.0%
	TOTAL	55	54	-1.8%	6,946	7,734	11.3%
TOTAL[3]		**7,065**	**6,737**	**-4.6%**	**611,527**	**645,171**	**5.5%**

Notes:

Source: Official Airline Guide (OAG/MAX August 1999 and June 2000 data disks

1 "Other Domestic" denotes other Canadian airlines.

2 N.A. - "Other Domestic" carriers cannot be calculated due to incomplete 1999 and 2000 data available for Royal Airlines, Air Transat and foreign charter carriers. (Canada 3000 international data obtained from Flight

3 Caution - frequency and capacity data totals do not include air charter operations by Royal Airlines, Air Transat and foreign charter carriers.

4 See notes to Air Capacity Tables in Appendix C for additional discussion on methodology, limitations and interpretation of data.

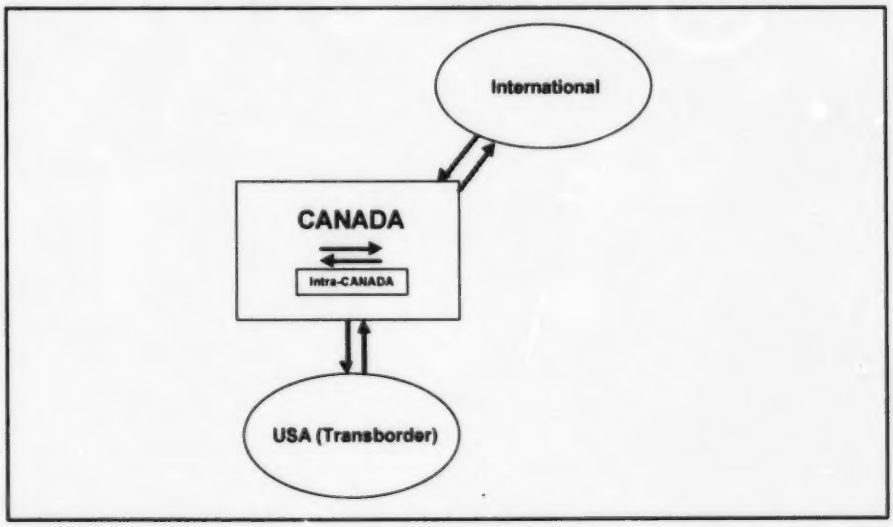
Appendix C: Notes to the Air Services Capacity Tables

1. **Data Sources**
   The air service capacity tables were created using data from the Official Airline Guide (OAG) MAX CD-ROM for August 1999 and June 2000 used by permission of Tourism British Columbia. The OAG data was captured on May 31, 2000. The OAG database was supplemented with charter flight schedule and seat capacity data for Canada 3000 European charter operations for August 1999 and 2000. Canada 3000 data was obtained from Canada 3000 schedules and information received from the air carrier. Charter data for other major charter operators in Canada, Air Transat and Royal Airlines, as well as, other foreign charter carriers was unavailable within the timeframe of the project.

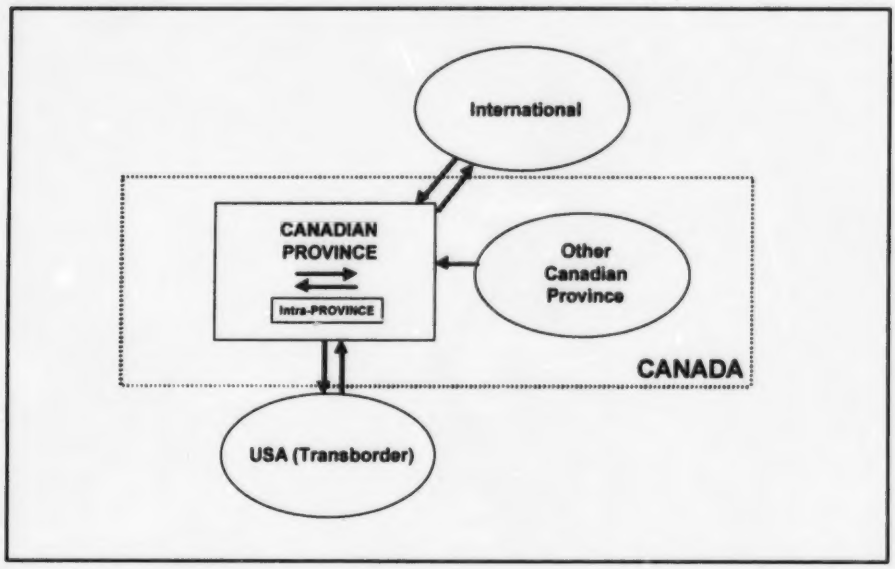
2. **Data Limitations**
   Although the OAG database is the most accurate and comprehensive source of flight data available, there are a number of limitations to the information. For example, the OAG includes incomplete *charter* flight data on many carriers. Note also that there are some inconsistencies in the data that create problems comparing data for the charter air carriers from 1999 to 2000. Some of Canada's charter carriers listed some flights in the OAG in 2000, as these are now operated as scheduled service, whereas they did not do so in 1999, when similar flights were offered as charter services. (There is a regulatory distinction between schedule and charter flights, even if offerings are identical.) Thus the growth in capacity by these carriers is overstated, especially for the European market. In the tables, the growth in European services by charter carriers is not reported. Overall, totals are reported but are somewhat overstated. Footnotes appear in the data tables to draw attention to these data inconsistencies.

3. **Methodology of Data Capture**

   - **Canada and Provincial Allocations of Flight Frequency and Seat Capacity**
     The "Canada Total Air Service Capacity" includes all *non-stop inbound and outbound domestic, transborder, and international flight frequencies and seat capacities to/from and with Canada* for August 1999 and August 2000. (See figure below).

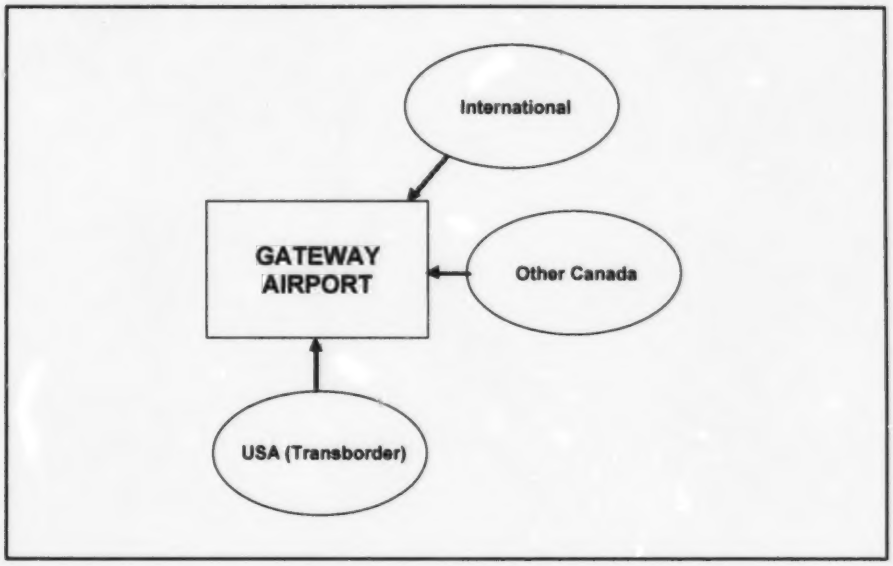


The "Provincial Allocations of the Canada Total Air Service Capacity" includes all *non-stop inbound and outbound intra-provincial, transborder, and international flight frequencies and seat capacities* and *all inbound inter-provincial flight frequencies and seat capacities* for August 1999 and August 2000. (See figure below). To avoid any double counting, the *inter-provincial capacity* is allocated only to the province where the flight arrives. For example, a round trip flight operated between Calgary and Vancouver appears once as an inbound flight in the British Columbia allocation and once as an inbound flight allocated to Alberta. The "Provincial Allocations" represent a series of sub-set components of the "Canada Total Air Service Capacity", which can be summed to equal the "Canada Total Air Service Capacity". For this reason, the "Provincial Allocations" must only be analysed in conjunction with the "Canada Total Air Service Capacity".



To exclude any double counting of code-shared flights only *operating carrier* (or "on metal") flights were captured.

- **Top Four Canadian Gateway Airports Flight Frequency and Seat Capacity**
  An analysis of air service capacity is also presented for the top four gateway airports in Canada, Vancouver, Calgary, Toronto and Montreal. The individual "Gateway Airport Air Service Capacity" tables include all *non-stop inbound domestic, transborder, and international flight frequencies and seat capacities to the specified gateway* for August 1999 and August 2000. (See figure below).



The "Top Four Canadian Gateway Airport Air Service Capacity" includes the combined total of all *non-stop inbound domestic, transborder, and international flight frequencies and seat capacities to Vancouver, Calgary, Toronto and Montreal* for August 1999 and August 2000.

To exclude any double counting of code-shared flights only *operating carrier* (or "on metal") flights were captured.

4. Interpretation of Data

Significant caution must be exercised in the analysis and interpretation of air capacity data. There are a number of reasons why variations may exist between the data presented in this report and other air capacity analyses.

- **The time period under consideration may differ**. For example, August is the peak of the year and impacts in other months and over the full year could be significantly different.
- **The data sources may differ.** There will be some variation between the schedules and seat capacities obtained directly from an air carrier and those filed in the Official Airline Guide (OAG). For example, the OAG data uses average seat capacities for individual aircraft types, whereas the airline data may include more precise seat capacities based on the aircraft configurations within their fleet. Also, the airline data may include charter flight data not normally filed in the OAG, or flight schedule changes that have not been yet been included in the OAG data.
- **The dates of data capture may differ.** As airline schedules are subject to constant revision, data captured in June 2000 will differ from data captured in July 2000.
- **Data captured may differ.** For example, data captured for non-stop flights will differ from data captured for one-stop or multi-stop flights.

5. Domestic portions of international flights by international carriers have been removed from the data set as they do not carry local traffic (e.g., the Toronto-Montreal segment of Czech Airlines Prague-Toronto-Montreal flight has been excluded).

6. The "Air Canada Family" includes all flights with an Air Canada (AC) or Canadian Airlines (CAI) code designator on the following carriers:

- Air Alliance/Air Georgian/ Ontario Regional
- Air Alma
- Air Canada
- Air Nova
- Air Ontario
- Air St. Pierre
- AirBC
- Alberta City Link
- Aviation Quebec Labrador
- Calm Air
- Canadian Airlines
- Canadian Regional
- Central Mountain Air
- Labrador Airways
- Northwest Territorial
  First Air
- Regionnair

7. The "Other Domestic Carriers" category includes the following carriers that operate scheduled or charter flights:

- Air Transat
- Canada 3000
- Royal Airlines
- WestJet Airlines
- A number of small Canadian operators
  e.g., Athabaska Airways, Pacific Coastal Airlines, Skyward Aviation, etc.

8. The "Overseas Carriers" category includes scheduled carriers as well as a small number of international air carriers operating charter flights to/from Canada.

9. The "Other International" sector includes flights from the Middle East, Mexico, the Caribbean, Central/South America, and St. Pierre.

Appendix D: List of Airports Surveyed

Edmonton

Halifax

Kelowna

Ottawa

Ville de Quebec

Regina

Whitehorse

Winnipeg

Contacted but not able to respond within the survey time frame:

Moncton

St. John's

Thunder Bay

Appendix E: Airline Restructuring Questionnaires

- Airports with domestic service
  (pages labelled V2-D)
- Airports with domestic and transborder service
  (pages labelled V1-D/T)

Airline Industry Restructuring in Canada - Airport Survey

Alberta Economic Development, in partnership with Tourism British Columbia, is undertaking an overview and analysis of the airline industry restructuring in Canada. The project involves gathering input from Canadian airport management regarding the impacts of restructuring on the tourism industry. This questionnaire has been designed to gather information on changes in flight frequencies, seat capacities, airfare prices, and impact on key tourism markets. Thank you for your participation in the survey.

Response Guidelines:

- The Air Canada Family will include all flights with AC or CP codes operated by the following carriers: Air Canada, airBC, airNova, airOntario, airAlliance, Central Mountain Air, NWTAir, Alberta Citylink, Air Georgian, Canadian Airlines, Canadian Regional, Calm Air, Regionair, Air Alma, Air Saint-Pierre, Ontario Regional, Aviation Quebec Labrador, Labrador Airways.
- Summer = August • Fall = November

Air Canada Family

1. Can you provide an estimate of the aggregate change in inbound flight frequencies and seat capacities by the *Air Canada family* at your airport for the following periods?

	Summer 2000 (versus summer 1999)		Fall 2000 (versus fall 1999)		Summer 2001 (versus summer 2000)	
	# of flights/seats	% change	# of flights/seats	% change	# of flights/seats	% change
Change in weekly flight frequencies	+/-_____	+/-_____	+/-_____	+/-_____	+/-_____	+/-_____
Change in weekly seat capacity	+/-_____	+/-_____	+/-_____	+/-_____	+/-_____	+/-_____

WestJet, Other Scheduled Carriers & Charter Carriers

2. Can you provide an estimate of the change in inbound flight frequencies and seat capacities by air carriers *outside the Air Canada family* at your airport for the following periods.

	Summer 2000 (versus summer 1999)		Fall 2000 (versus fall 1999)		Summer 2001 (versus summer 2000)	
	# of flights/seats	% change	# of flights/seats	% change	# of flights/seats	% change
WestJet:						
Change in weekly flight frequencies	+/-_____	+/-_____	+/-_____	+/-_____	+/-_____	+/-_____
Change in weekly seat capacity	+/-_____	+/-_____	+/-_____	+/-_____	+/-_____	+/-_____
❒ Not Applicable						
Other Scheduled Carriers:						
Change in weekly flight frequencies	+/-_____	+/-_____	+/-_____	+/-_____	+/-_____	+/-_____
Change in weekly seat capacity	+/-_____	+/-_____	+/-_____	+/-_____	+/-_____	+/-_____
❒ Not Applicable						

	Summer 2000 (versus summer 1999) # of flights/seats	% change	Fall 2000 (versus fall 1999) # of flights/seats	% change	Summer 2001 (versus summer 2000) # of flights/seats	% change
All Charter Carriers:						
Change in weekly flight frequencies	+/-_____	+/-_____	+/-_____	+/-_____	+/-_____	+/-_____
Change in weekly seat capacity	+/-_____	+/-_____	+/-_____	+/-_____	+/-_____	+/-_____

❒ Not Applicable

3. Please comment on the impact of the Canadian airline industry restructuring as it relates to improved or reduced connectivity from key gateway airports to your major tourism markets.

_____

_____

_____

_____

4. Since the restructuring of the Canadian airline industry, would you say that, overall, airfares among the Air Canada family to/from your airport are....

❒ Higher than the same period last year
❒ Lower than the same period last year
❒ The same as last year
❒ Don't know

If there has been a change in airfare levels, to what would you attribute the change? _____

_____

Is comparative airfare data available for your airport?

❒ Yes
❒ No

Thank you for your time and assistance.

Airline Industry Restructuring in Canada - Airport Survey

Alberta Economic Development, in partnership with Tourism British Columbia, is undertaking an overview and analysis of the airline industry restructuring in Canada. The project involves gathering input from Canadian airport management regarding the impacts of restructuring on the tourism industry. This questionnaire has been designed to gather information on changes in flight frequencies, seat capacities, airfare prices, and impact on key tourism markets. Thank you for your participation in the survey.

Response Guidelines:

- The Air Canada Family will include all flights with AC or CP codes operated by the following carriers: Air Canada, airBC, airNova, airOntario, airAlliance, Central Mountain Air, NWTAir, Alberta Citylink, Air Georgian, Canadian Airlines, Canadian Regional, Calm Air, Regionair, Air Alma, Air Saint-Pierre, Ontario Regional, Aviation Quebec Labrador, Labrador Airways.
- Summer = August • Fall = November

Air Canada Family

1. Can you provide an estimate of the aggregate change in inbound flight frequencies and seat capacities by the *Air Canada family* at your airport for the following periods?

	Summer 2000 (versus summer 1999)		Fall 2000 (versus fall 1999)		Summer 2001 (versus summer 2000)	
Domestic Sector	**# of flights/seats**	**% change**	**# of flights/seats**	**% change**	**# of flights/seats**	**% change**
Change in weekly flight frequencies	+/-_____	+/-_____	+/-_____	+/-_____	+/-_____	+/-_____
Change in weekly seat capacity	+/-_____	+/-_____	+/-_____	+/-_____	+/-_____	+/-_____
Transborder Sector						
Change in weekly flight frequencies	+/-_____	+/-_____	+/-_____	+/-_____	+/-_____	+/-_____
Change in weekly seat capacity	+/-_____	+/-_____	+/-_____	+/-_____	+/-_____	+/-_____

WestJet, Other Scheduled Carriers & Charter Carriers

2. Can you provide an estimate of the change in inbound flight frequencies and seat capacities by air carriers *outside the Air Canada family* at your airport for the following periods.

	Summer 2000 (versus summer 1999)		Fall 2000 (versus fall 1999)		Summer 2001 (versus summer 2000)	
Domestic Sector:	**# of flights/seats**	**% change**	**# of flights/seats**	**% change**	**# of flights/seats**	**% change**
WestJet:						
Change in weekly flight frequencies	+/-_____	+/-_____	+/-_____	+/-_____	+/-_____	+/-_____
Change in weekly seat capacity	+/-_____	+/-_____	+/-_____	+/-_____	+/-_____	+/-_____
❒ Not Applicable						
Other Scheduled Domestic Carriers:						
Change in weekly flight frequencies	+/-_____	+/-_____	+/-_____	+/-_____	+/-_____	+/-_____
Change in weekly seat capacity	+/-_____	+/-_____	+/-_____	+/-_____	+/-_____	+/-_____
❒ Not Applicable						

	Summer 2000 (versus summer 1999) # of flights/seats	% change	Fall 2000 (versus fall 1999) # of flights/seats	% change	Summer 2001 (versus summer 2000) # of flights/seats	% change
Transborder Sector						
Other Scheduled transborder carriers:						
Change in weekly flight frequencies	+/-_____	+/-_____	+/-_____	+/-_____	+/-_____	+/-_____
Change in weekly seat capacity	+/-_____	+/-_____	+/-_____	+/-_____	+/-_____	+/-_____
❒ Not Applicable						
All Sectors - Charter Carriers:						
Change in weekly flight frequencies	+/-_____	+/-_____	+/-_____	+/-_____	+/-_____	+/-_____
Change in weekly seat capacity	+/-_____	+/-_____	+/-_____	+/-_____	+/-_____	+/-_____
❒ Not Applicable						

3. Please comment on the impact of the Canadian airline industry restructuring as it relates to improved or reduced connectivity from key gateway airports to your major tourism markets.

_____

_____

_____

_____

4. Since the restructuring of the Canadian airline industry, would you say that, overall, airfares among the Air Canada family to/from your airport are....

❒ Higher than the same period last year
❒ Lower than the same period last year
❒ The same as last year
❒ Don't know

If there has been a change in airfare levels, to what would you attribute the change? _____

_____

Is comparative airfare data available for your airport?

❒ Yes
❒ No

Thank you for your time and assistance.